

INTERNATIONAL FRAMEWORK AGREEMENTS AS A FORM OF TRANSNATIONAL LABOUR RELATIONS

H. du Preez

**INTERNATIONAL LABOUR RELATIONS
AS A FORM OF
TRANSNATIONAL LABOUR RELATIONS**

by

HELENA DU PREEZ

Submitted in partial fulfilment for the degree

**MAGISTER COMMERCII
(Industrial Psychology)**

in the

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

at the

UNIVERSITY OF PRETORIA

Supervisor: Dr. P Smit

PRETORIA

MARCH 2016

ACKNOWLEDGEMENTS

Through the course of this study, I received support and inspiration from several people. My sincerest thanks to Doctor Paul Smit for his continual support, encouragement, and guidance throughout this research process. Dr. Smit assisted me from the beginning, when some concepts were confusing and unclear, right until the end, where conclusions had to be made. He is always willing to help, and, on top of that, he is an easy-going and friendly person. Without his encouragement and help, I definitely would not have been able to finish this mini-dissertation.

Furthermore, my supervisor, Dr Smit, also gave me the opportunity to join him on his visit to the Goethe University in Germany, in order to further research in SADC on transnational labour relations. He handled all the preparations, and paid for all the flight arrangements and tickets from his research fund. The visit to Europe gave me the opportunity to pose several questions to an expert in the field of labour relations, specifically with regards to the European setting. This brings me to the next person I also want to make specific reference to, professor Manfred Weiss.

Professor Weiss is from Goethe University in Frankfurt and is an expert in the field of labour relations, as well as transnational labour relations. Without his direction, ideas, and viewpoints, this study would not have focused on all the elements it does. Therefore, I would like to show great appreciation and admiration to Prof Manfred Weiss, who set the time aside to guide me in this study.

A special thanks to my dad, who funded this course and paid for most of the expenses related to this study and others that resulted from this study. To my mom, thank you for all your love, support, and encouragement throughout this course. Your food kept me going, and our coffee sessions are appreciated.

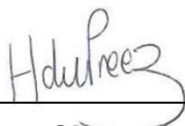
DECLARATION

I, Helena du Preez, declare that INTERNATIONAL LABOUR RELATIONS AS A FORM OF TRANSNATIONAL LABOUR RELATIONS is my own, unaided work, both in content and execution. All the resources I used in this study are cited and referred to in the reference list by means of a comprehensive referencing system. Apart from the normal guidance from my study leaders, I have received no assistance, except as stated in the acknowledgements.

I declare that the content of this thesis has never been used before for any qualification at any tertiary institution.

I, Helena du Preez, declare that this thesis was edited by Teresa Kapp.

Helena du Preez



Signature

11 July 2016

Date

TABLE OF CONTENT

| | |
|---|----------|
| Acknowledgements..... | i |
| Declaration..... | ii |
| Abstract..... | vii |
| List of abbreviations..... | viii |
| CHAPTER 1..... | 1 |
| INTRODUCTION..... | 1 |
| 1.1 INTRODUCTION AND BACKGROUND..... | 2 |
| 1.2 PROBLEM STATEMENT..... | 3 |
| 1.3 PURPOSE STATEMENT..... | 4 |
| 1.4 RESEARCH QUESTIONS..... | 4 |
| 1.5 RESEARCH OBJECTIVES..... | 4 |
| 1.6 ACADEMIC VALUE AND INTENDED CONTRIBUTION OF THE STUDY..... | 5 |
| CHAPTER 2..... | 6 |
| METHOD OF INVESTIGATION..... | 6 |
| 2.1 METHOD OF INVESTIGATION..... | 7 |
| 2.2 RESEARCH APPROACH..... | 8 |
| 2.3 RESEARCH DESIGN..... | 11 |
| 2.3.1 Literature Review..... | 11 |
| 2.3.2 Document Analysis..... | 12 |
| 2.4 SAMPLING STRATEGY..... | 15 |
| 2.5 DATA COLLECTION..... | 16 |
| 2.6 DATA ANALYSIS..... | 22 |
| 2.6.1 Content Analysis..... | 23 |
| 2.6.2 The Qualitative Content Analysis Process..... | 25 |
| 2.6.3 The Inductive Content Analysis Process..... | 25 |
| 2.6.4 Advantages and Limitations of Content Analysis..... | 33 |



| | | |
|--|---|-----------|
| 2.7 | TRUSTWORTHINESS..... | 35 |
| 2.8 | ETHICAL CONSIDERATIONS..... | 41 |
| 2.9 | LIMITATIONS OF THE STUDY..... | 42 |
| 2.10 | CONCLUDING REMARKS..... | 43 |
| CHAPTER 3..... | | 44 |
| CONCEPTUALISING TRANSNATIONAL LABOUR RELATIONS..... | | 44 |
| 3.1 | GLOBALISATION AND MIGRATION..... | 45 |
| 3.1.1 | Migration..... | 47 |
| 3.2 | TRANSNATIONALISATION..... | 50 |
| 3.3 | THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS..... | 53 |
| 3.3.1 | What are Labour Relations?..... | 53 |
| 3.3.2 | Transnational Labour Relations..... | 54 |
| 3.4 | UNIONS AS A TRANSNATIONAL ACTOR..... | 56 |
| 3.5 | LABOUR REGULATION IN THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS..... | 58 |
| 3.6 | CONCLUDING REMARKS..... | 61 |
| CHAPTER 4..... | | 65 |
| THE INTERNATIONAL LABOUR ORGANISATION..... | | 65 |
| 4.1 | THE INTERNATIONAL LABOUR ORGANISATION (ILO)..... | 66 |
| 4.2 | THE ROLE OF THE ILO..... | 68 |
| 4.3 | CONVENTIONS OF THE ILO..... | 69 |
| 4.3.1 | Conventions 87 and 98 of the ILO..... | 70 |
| 4.4 | INTERNATIONAL FRAMEWORK AGREEMENTS AND THE ILO..... | 72 |
| 4.5 | TRANSNATIONAL COLLECTIVE BARGAINING AND EMPLOYMENT CONDITIONS..... | 74 |
| 4.6 | CONCLUDING REMARKS..... | 77 |
| CHAPTER 5..... | | 79 |
| MULTINATIONAL COMPANIES AND CODES OF CONDUCT..... | | 79 |
| 5.1 | WHAT IS A CODE OF CONDUCT?..... | 80 |
| 5.2 | THE RISE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)..... | 81 |
| 5.2.1 | Labour and CSR..... | 83 |
| 5.3 | THE EVOLUTION OF CODES OF CONDUCT..... | 83 |

| | | |
|---|---|-----------|
| 5.4 | THE EXAMPLE OF NIKE..... | 85 |
| 5.4.1 | The Evolution of Nike’s Code of Conduct..... | 86 |
| 5.5 | IMPLEMENTING CODES OF CONDUCT: MONITORING AND COMPLIANCE..... | 87 |
| 5.5.1 | Analysis of the content of codes of conduct..... | 88 |
| 5.6 | TRADE UNIONS AND CODES OF CONDUCT..... | 89 |
| 5.7 | ARGUMENTS FOR AND AGAINST CODES OF CONDUCT..... | 90 |
| 5.8 | CONCLUDING REMARKS..... | 92 |
| CHAPTER 6..... | | 94 |
| INTERNATIONAL FRAMEWORK AGREEMENTS: NEW TOOLS OF TRANSNATIONAL LABOUR RELATIONS..... | | 94 |
| 6.1 | INTRODUCTION..... | 95 |
| 6.2 | GLOBALISATION AND THE WORLD OF WORK..... | 95 |
| 6.3 | OVERVIEW OF INTERNATIONAL FRAMEWORK AGREEMENTS (IFAs)..... | 97 |
| 6.4 | HISTORY OF IFAs..... | 99 |
| 6.5 | THE EMERGENCE OF IFAs..... | 104 |
| 6.5.1 | Advantages of IFAs..... | 106 |
| 6.6 | THE SCOPE OF IFAs..... | 108 |
| 6.6.1 | The Rights Conferred by IFAs..... | 109 |
| 6.6.2 | The Main Features of IFAs..... | 110 |
| 6.7 | THE SCOPE OF APPLICATION OF IFAs..... | 110 |
| 6.8 | IMPLEMENTATION: MONITORING AND DISPUTE RESOLUTION OF IFAs WITHIN TRANSNATIONAL COMPANIES..... | 113 |
| 6.8.1 | Monitoring..... | 114 |
| 6.8.2 | Dispute Resolution..... | 116 |
| 6.8.3 | The legal aspects of IFAs negotiated between IFAs and GUFs..... | 118 |
| 6.9 | TRADE UNION CAPACITY AND IFAs..... | 118 |
| 6.10 | IFAs ACROSS THE SUPPLY CHAIN..... | 121 |
| 6.11 | LIMITATIONS AND WEAKNESSES OF IFAs..... | 122 |
| 6.12 | IFAs vs CODES OF CONDUCT..... | 123 |
| 6.13 | CONCLUDING REMARKS..... | 124 |

| | |
|--|------------|
| CHAPTER 7..... | 126 |
| CONCLUSIONS AND RECOMMENDATIONS..... | 126 |
| 7.1 SUMMARY OF THE STUDY..... | 127 |
| 7.2 MAIN RESEARCH FINDINGS..... | 129 |
| 7.3 RECOMMENDATIONS FOR FUTURE RESEARCH..... | 132 |
| 7.4 FINAL REMARKS..... | 133 |
| 7.5 CONCLUSION..... | 134 |
| | |
| LIST OF REFERENCES..... | 139 |
| | |
| APPENDICES..... | 153 |
| APPENDIX A – Nike Code of Conduct..... | 153 |
| APPENDIX B – ILO Convention 87..... | 156 |
| APPENDIX C – ILO Convention 98..... | 163 |

LIST OF TABLES

| | | |
|-----------------|---|----|
| Table 1: | Difference between quantitative and qualitative document analysis..... | 14 |
| Table 2: | The principles and rights emphasised in the 1998 Declaration of Fundamental Rights at Work and its follow-up..... | 69 |
| Table 3: | Ratification of Conventions 87 and 98 by member states of SADC..... | 72 |
| Table 4: | List of IFAs signed by year and industry..... | 73 |

LIST OF FIGURES

| | | |
|------------------|--|-----|
| Figure 1: | Number of IFAs signed per year from 1989 to 2007..... | 100 |
| Figure 2: | Number of IFAs signed in each country from 1989 to 2007..... | 101 |

ABSTRACT

INTERNATIONAL FRAMEWORK AGREEMENTS AS A FORM OF TRANSNATIONAL LABOUR RELATIONS

By

Helena du Preez

SUPERVISOR: Dr. P. Smit
DEPARTMENT: Human Resource Management
FACULTY: Economic and Management Sciences
DEGREE: Magister Commercii specialising in Industrial
Psychology/Human Resource Management

This qualitative research paper examines the emergence and main features of International Framework Agreements (IFAs) as a form of transnational labour relations. IFAs originated in the 1980s and proliferated after 2000. They aim to secure core labour rights across multinational corporations' global supply chains. Globalisation changed the world of work, and, as a result, there is a call to look beyond national borders with reference to labour relations. Transnational corporations were the primary movers of mobility, but since then finance, people, and ideas joined the world of flows, introducing the new arena of transnational labour relations. The purpose of this research was primarily to determine what transnational labour relations are, and to determine whether IFAs form part of this transnational labour relations system. By conducting a document analysis and doing a literature review, the researcher analysed the contents of various articles, and assessed the substantive and procedural aspects of some IFAs concluded before 2008. Finally, key issues surrounding IFAs, such as the scope of agreements, trade union capacity, and global supply chains, are discussed in the context of international labour's campaigning, organising, and negotiation activities. Based on various features of international trade union activity, such as world company councils, codes of conduct, and international social dialogue, IFAs constitute an important and innovative tool in transnational labour relations.

Key words: transnational labour relations, international framework agreements, codes of conduct, multinational companies, transnational companies, International Labour Organisation, corporate social responsibility.

LIST OF ABBREVIATIONS

List of Abbreviations used in this document

| Abbreviation | Meaning |
|--------------|--|
| EU | European Union |
| EWCs | European work councils |
| GFA | Global Framework Agreements |
| GUFs | global union frameworks |
| IFAs | international framework agreements |
| ILO | International Labour Organisation |
| ITS | International Trade Secretariat |
| IUF | International Union of Food |
| MNCs | multinational companies |
| NGO | non-governmental organisation |
| OECD | Organisation for Economic Co-operation and Development |
| SADC | Southern African Development Community |
| TNC | Transnational Companies |
| TNLR | Transnational Labour Relations |
| THRM | Transnational Human Resource Management |
| TUN | Transnational union networks |

CHAPTER 1

INTRODUCTION

| | | |
|-----|---|---|
| 1.1 | INTRODUCTION AND BACKGROUND..... | 2 |
| 1.2 | PROBLEM STATEMENT..... | 3 |
| 1.3 | PURPOSE STATEMENT..... | 4 |
| 1.4 | RESEARCH QUESTIONS..... | 4 |
| 1.5 | RESEARCH OBJECTIVES..... | 5 |
| 1.6 | ACADEMIC VALUE AND INTENDED CONTRIBUTION OF THE STUDY..... | 5 |

1.1 INTRODUCTION AND BACKGROUND

Henry Ford once said: “Coming together is a beginning, keeping together is progress and working together is success.” Applying this to the globalised world of international trade, these can be considered wise words. Although widely criticised, globalisation is a reality, now more than ever, and, as Smit (2013, p. 1) stated, “all countries in the world are part of a larger world community.”

The concept *transnational* is relatively new, and gained its existence due to globalisation (Taylor, 1999). In the present study, globalisation is defined as the process whereby increasing amounts of economic, social, and cultural activities are carried out across national borders. The term *transnational* is concerned with the movement of individuals, ideas, technologies, and institutions across national boundaries (Hyman, 1999). Smit (2013, p. 1) supported this definition, and stated that the term points out that “it is beyond what is considered to be national, in other words across national borders.”

Hyman (2008) referred to globalisation as a “borderless world,” denoting that national boundaries are effectively irrelevant. Taylor (1999) stated that the crises of global capitalism, which is still ongoing and rapidly growing, raised common traditional problems facing international labour as it attempts to build common policies. In this regard, Greer and Hauptmeier (2007) stated that the reason for the transformation of labour relations is the cause of internationalisation of markets and organisations. Increased globalisation poses some challenges that need to be confronted, and strategies must be developed by international trade union federations to overcome obstacles, so that a realistic and permanent transnational industrial relations system can be developed (Taylor, 1999).

The resultant transnational labour market constellations mark an innovative and distinct form of incorporating migrant labour, new labour laws, new labour relation systems, and the effects of trade unions (Horvath, 2001). Smit (2014) noted that globalisation is creating a condition where laws and, specifically, labour laws are attaining an international nature. The conventions of the International Labour Organization (ILO) have become more prominent as globalisation increased, and,

according to Fetzner (2012), the ILO is often considered as the head organisation that attempts to encourage a global social order. Employment regulation is the result of autonomy and national policy; however, organisational structures are following a new approach as a result of industrialisation, and transnational labour relations can form the basis of this new order (Hyman, 1999).

Helpen and Fichter (2000) argued that transnational labour relations are still emerging and growing, and are in a formative stage. The question is whether all countries support this new form of employment regulation and promote the development of open business and the free movement of money, goods, and services. According to Taylor (1999), most countries encourage this movement, but many still restrict and even prevent this development. Efficient labour relations need to be developed, as these are an intrinsic part of a successful structural alteration. Developing efficient labour relations will provide guidance that is essential for the resolution of conflict and achieving consensus during change, as well as for economic modernisation and the stability of a democratic system (Kohl & Platzer, 2003).

According to Smit (2013, p. 5), there is a need for an “acceptable and mutually agreed upon system of Transnational Labour Relations” that would benefit employees, management and stakeholders. Nevertheless, before one can even think to implement such a system in SADC, all of the elements of a transnational labour relation system must be identified and critically reviewed in order to analyse and explain the potential benefit.

1.2 PROBLEM STATEMENT

Preliminary investigation suggested that there is a call to look beyond national borders, and that the foundations or origin of the concept *transnational* can be found in globalisation and migration. As mentioned earlier, transnational corporations were the primary movers of mobility, but, since then, finance, people, and ideas joined the world of flows, so there is no reason why capital, investments, and ideas can flow freely across national borders but not labour (Munck, 2010). Thus, a new arena of

transnational labour relations is coming to the front, and to conceptualise this phenomenon we must view international framework agreements (IFAs) as a form of transnational labour relations, together with two particular conventions of the ILO. Equally important, it needs to be determined how international framework agreements differ from codes of conduct, seeing that both can be described as 'soft law.'

1.3 PURPOSE STATEMENT

The focus of this study will be to conceptualise IFAs as a form of transnational labour relations. The purpose of this research will primarily be to determine what transnational labour relations are, and if IFAs form part of this transnational labour relations system. It is of importance to conceptualise transnational labour relations as there is a call to look beyond national borders. Building a transnational approach to labour relations, and incorporating all of its elements might be of benefit to all. Transnational corporations were the primary movers of mobility in the early years, but since then finance, people and ideas joined the world of flows (Munck, 2010).

1.4 RESEARCH QUESTIONS

The following research questions flowed directly from the purpose statement, and the study will focus on the following specific research questions:

- What does the concept *transnational labour relations* mean?
- Do international framework agreements form part of a transnational labour relations system?

1.5 RESEARCH OBJECTIVES

In order to address the problem statement, the following objectives will be achieved:

- conceptualising the new arena of transnational labour relations;
- determining the role of the ILO in promoting the development of IFAs;
- explaining the limitations of codes of conduct with reference to multinational companies (MNCs);
- explaining how IFAs differ from codes of conduct of MNCs;
- determining if IFAs are an element of a cross-border labour relations framework;
- determining the legal dimensions of IFAs in the field of corporate social responsibility; and
- evaluating the implementation and monitoring of cross-border agreements, with reference to the potential role of cross-border collective labour action.

1.6 ACADEMIC VALUE AND INTENDED CONTRIBUTION OF THE PROPOSED STUDY

From a theoretical perspective, the study intends to make two valuable contributions to the existing body of knowledge on transnational labour relations. Firstly, this study should significantly contribute to an academic understanding of what exactly the concept of transnational labour relations refers to. Secondly, this study will provide an integrated report on the importance of international framework agreements, together with Conventions 87 and 98 of the ILO, and how these differ from codes of conduct of MNCs. From a practical point of view, “scholars have only interpreted the world of labour relations in different ways,” but, with the information that will be provided in this study, they will be able re-invent it (Hyman, 2001, p. 293). From a practical perspective this study will also highlight the call for a transnational labour relations system in Southern Africa, and show what benefits IFAs could bring.

CHAPTER 2

METHOD OF INVESTIGATION

| | | |
|------|---|----|
| 2.1 | METHOD OF INVESTIGATION..... | 7 |
| 2.2 | RESEARCH APPROACH..... | 8 |
| 2.3 | RESEARCH DESIGN..... | 11 |
| | 2.3.1 Literature Review..... | 11 |
| | 2.3.2 Document Analysis..... | 12 |
| 2.4 | SAMPLING STRATEGY..... | 15 |
| 2.5 | DATA COLLECTION..... | 16 |
| 2.6 | DATA ANALYSIS..... | 22 |
| | 2.6.1 Content Analysis..... | 23 |
| | 2.6.2 The Qualitative Content Analysis Process..... | 25 |
| | 2.6.3 The Inductive Content Analysis Process..... | 25 |
| | 2.6.4 Advantages and Limitations to Content Analysis..... | 33 |
| 2.7 | TRUSTWORTHINESS..... | 35 |
| 2.8 | ETHICAL CONSIDERATIONS..... | 41 |
| 2.9 | LIMITATIONS OF THE STUDY..... | 42 |
| 2.10 | CONCLUDING REMARKS..... | 43 |

2.1 METHOD OF INVESTIGATION

The goal of research is to answer questions and consequently expand understanding and knowledge on a specific topic. Therefore, regardless of its focus, research should be conducted using rational procedures and arguments (Myers & Barnes, 2005). Radwan (2009, p. 15) defined research methodology as “the strategy, plan of action, process or design lying behind the choice and use of particular methods and linking the choice and use of methods to the desired outcome.” The specific selection of the topic in the present mini-dissertation gained its focus from the results of a systematic literature review that was completed in partial fulfilment for the requirements of a previous honours degree in human resource management, titled *Transnational labour relations: Conceptualising the term transnational and exploring the possible implications on labour relations*. The results of this systematic review served as a blueprint for the present study, and formed the basis that shaped the research process and methodological design, which, in turn, influenced the choice and selection of the data collection technique.

Writing any research paper on a topic related to labour relations can be confusing and difficult when it comes to methodology. The topic of the present study necessitated a focus on the field of labour relations, which required more flexible methodologies. The choice of methodology for the present study will be explained, keeping in mind that the research was done from the viewpoints of economic and management sciences, which follow strict rules and procedures in conducting any research. In the following section, the method of investigation will be described in terms of the different aspects of the methodology, such as the research approach, the strategy of enquiry, sampling and the unit of analysis, the data collection technique, as well as data analysis. When making a decision regarding which methodology to use, it is important to consider the research questions, and assess whether the specific approach will be able to answer the research questions (Radwan, 2009).

2.2 RESEARCH APPROACH

Overall, research methodologies are either qualitative or quantitative, and the distinction between these two approaches has been described as a methodological issue (Radwan, 2009). However, researchers can also incorporate both using a mixed-method design, which takes advantage of the strengths and eliminates some of the limitations of both these methods. Radwan (2009, p. 3) made a simple distinction between qualitative and quantitative research when she argued that qualitative research refers to “the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of things,” whereas quantitative research simply speak of “the measures and counts of things.” Marshall and Rossman (2010, p. 3) agrees and added that the distinguishing factor between quantitative and qualitative research is the type of data that are generated, which is highlighted in their definition stating that “qualitative research involves any research that uses data that do not indicate ordinal values.”

The main goal of qualitative research is to generate theory, which is usually based on inductive reasoning, whereas quantitative research focuses on testing a theory or hypothesis, using deductive reasoning. There have been many debates on the reliability and validity of quantitative versus qualitative methods; however, the present researcher agrees with the viewpoint Myers and Barnes (2005, p. 4), who stated that “qualitative methods acknowledge and in fact celebrate the subjective nature of inquiry while quantitative methods are designed to be as objective and replicable as possible.”

The present study followed a qualitative rather than a quantitative approach to the research. Albert Einstein once said, “Not everything than can be counted counts and not everything that counts can be counted.” A qualitative approach to research is concerned with subjective assessment of attitudes, opinions, and behaviour (Banner, 2010). It is characterised by its aims, which relate to appreciation of certain aspects of social life, and its techniques or tools, which (in general) create words in contrast to numbers, provide data for analysis (Patton & Cochran, 2002). Scientific research involves precise and systematic practical inquiries that are data-based, and,

according to Bogdan and Biklen (1982, p. 8), qualitative research “does meet these requirements.”

Qualitative research has some specific features; Myers and Barnes (2005) highlighted a few:

- i. It focuses its efforts on capturing information on opinions and views from the inside, allowing the participants’ perceptions to be noted with minimal bias from the researcher.
- ii. Queries are open-ended, drawing out multiple responses relative to one single response from a predetermined option (e.g., *Always; Sometimes; Never*).
- iii. Qualitative researchers are inclined to make use of unstructured data collection.
- iv. A variety of data sources can be utilised.
- v. It can focus on ‘micro’ elements that might not be obtainable when using quantitative methods.
- vi. There is not always one, single truth; different interpretations are welcomed.
- vii. The researcher plays an active and crucial role from the beginning, right through to the analysis and results.

Most people, especially students, have shown a dislike of quantitative research. A study by Murtonen, Olkinuora, Tynjälä, and Lehtinen (2008) showed that the main reason for this dislike or fear is because of the required statistical analysis part of the process. Researchers may assume that qualitative research is the easier option; yet, when done accurately, it can become more time-consuming and demanding than quantitative research (Myers & Barnes, 2005). Qualitative research often requires more interpretation by the researcher or analyser, as it entails more flexible methods and focuses on social phenomena, often working with real participants’ perspectives, feelings, and experiences (Marshall & Rossman, 2010; Myers & Barnes, 2005). Radwan (2009) agrees and stated that qualitative research is the process of determining how social meanings are constructed, and emphasised the relationship between the researcher and the topic being studied. This statement raises the importance of ethical research, which will be discussed in Section 2.8.

Qualitative research can be described as the “method of enquiry that seeks to understand social phenomena within the context of the participants’ perspectives and experiences” (Merriam, 2002, p. 1). Qualitative methods have seen an increasing acceptance in the past decade throughout the social sciences arena (Attride-Sterling, 2001). It analyses data from direct fieldwork observations, in-depth or open-ended interviews, as well as transcribed or printed documents (Patton, 2005; Marshall & Rossman, 2010). Data collected through qualitative methods are generally in the form of words or images, in other words, material that cannot simply be reduced to numbers (Myers & Barnes, 2005). In this regard, Merriam (2002) stated that qualitative research methods are likely to be more flexible, amenable, and open to contextual interpretation than is the case in quantitative research, which normally uses lists, questionnaires, or numerical data to draw conclusions.

Qualitative research involves an interpretive, naturalistic, real-life approach to its topic, and focuses on what data can contribute to answering the research questions or add to existing information (Higgins & Green, 2008). In the present study, the data were collected and results obtained in an attempt to answer the research questions while, at the same time, although not directly, contributing to current knowledge. The results obtained in this study do not necessarily generate new knowledge, but rather contribute to existing theory, as it focussed on collecting and generating data to increase the understanding of transnational labour relations and its components and effects.

Accordingly, this mini-dissertation made use of a qualitative approach to achieve its objectives. The qualitative approach assisted in obtaining a deeper understanding of the issues being investigated, and made it possible to answer the research questions. The qualitative research questions in this study focussed on dimensions such as knowledge, facts, experiences, behaviour, impacts, and outcomes.

2.3 RESEARCH DESIGN

Selecting the appropriate strategy of enquiry or design involves making decisions about the specific methods and processes one will use to conduct the research study (Gravetter & Forzano, 2005). According to Myers and Barnes (2005), often, one method alone does not provide the complete evaluation output the specific study requires. After careful deliberation, it was concluded that the most suitable research design for the present study would be a literature review and a document analysis.

2.3.1 Literature Review

According to Maree (2007, p. 83), it is important to “distinguish between the literature review of a study and using documents as part of your data gathering strategy.” The two have common characteristics, in the sense that they both deal with data sources in some or other written format, but including document analysis as part of one’s data-gathering strategy is something different from the literature review that all researchers conduct during a research project.

The present study sought to answer the research questions stated, and identified, evaluated, and synthesised the existing body of knowledge that was produced by researchers, scholars, and practitioners. Scope and rigour are characteristics that distinguish a systematic literature review from other conventional or traditional reviews (O’Neil, 2013). In a systematic review, all literature must be unprejudiced and comprehensible in terms of how and why the specific topic was chosen. It should be clearly stated if the focus changed during the course of the study or to support requirements for the writer’s later work. As mentioned earlier, the present researcher had previously completed a systematic literature review, which formed the basis of the present study. However, the design of the present study included a traditional literature review, implying that it was not necessarily systematic.

2.3.2 Document Analysis

There is a need to better understand the methodology behind the different forms of qualitative research, especially when it comes to document analysis (Radwan, 2009). According to Bowen (2009, p. 27), there has been an increase in the “number of research reports and journal articles that mention document analysis as part of the methodology.” Yet, there is still an absence of sufficient detail regarding the procedure followed when using document analysis as a research method; and there are still experienced researchers that do not use this approach effectively (Bowen, 2009). Owen (2013) claimed that, “in most social scientific work, documents are placed at the margins of consideration,” despite the importance of documentation in the economy and in modern society.

The document analysis method first gained its existence as a quantitative method in communications- and political research (Wesley, 2010). Textbooks, courses, and journal articles in the social sciences or economic and management sciences rarely devote any attention to qualitative document analysis. According to Wesley (2010, p. 1), qualitative document analysis remains “one of the most common, yet methodologically misunderstood, components of political research.” The present researcher agrees; it is not only misunderstood in political science, it is misunderstood in general, especially in the field of labour relations, which falls under economic and management sciences, but involves law and regulation.

Bowen (2009, p. 27) defined document analysis as “a systematic procedure for reviewing or evaluating — both printed and electronic (computer-based and Internet-transmitted) material.” Evaluation ETA (2009) described a document analysis as the way of collecting data by reviewing various existing documents. Hurworth (2005) described a document analysis as a form of qualitative research, whereby documents are interpreted by a researcher in order to give voice and meaning to a specific topic. Analysing these documents necessitates coding of the contents into various themes, and then using the themes to develop and differentiate between the most important information.

Patton (2005, p. 14) stated that document analysis includes studying “excerpts, quotations or entire passages from organisational, clinical or program records; memoranda and correspondence; official publications and reports; as well as personal diaries.” Myers and Barnes (2005) agree and stated that a document analysis can include newspaper articles, policy and procedures documents, timetables, and activity schedules. In its simplest form, a document analysis is used to gather facts. However, as Owen (2013) pointed out, gathering facts through document analysis is not an easy task. Like any other research method, the document analysis requires data to be studied and interpreted, to elicit meaning, in order for the researcher to understand and draw conclusions. Document analysis in social sciences can be very useful, yet, it is under-utilised. It is a scientific method, and requires strict adherence to research protocol (Mogalakwe, 2006).

Wesley (2010) pointed out that the qualitative analysis of politically or labour-relations orientated texts are often perceived as being unobtrusive or classified as simply being archival research. The present researcher can relate to this viewpoint, as, during the course of presenting the research proposal, various comments like these surfaced from academics, colleagues, and fellow students. The lack of a detailed methodological discussion of qualitative document analysis is disturbing, seeing that most researchers have, at some point, included components of textual interpretation as evidence in their research (Wesley, 2010). Karl Marx and Emile Durkheim Marx often used documentary sources for their research purposes (Mogalakwe, 2006). Although not used often, documentary research is not a new research method in the social sciences.

Validity and reliability are criteria of academic rigour that are based on the assumptions that data should be collected from documents that are intrinsic, suggesting the evidence obtained from texts should be objectively identifiable (Wesley, 2010). Reliability and validity will be comprehensively described in Section 2.7. In order to describe the qualitative document analysis process, the researcher felt the need to first determine the differences between quantitative and qualitative document analysis in terms of validity and reliability. Table 1 provides a differentiation between quantitative and qualitative document analysis.

Table 1

Difference between Quantitative and Qualitative Document Analysis

| Qualitative document analysis | Quantitative document analysis |
|---|--|
| The researcher rejects the notion of inter-subjectivity. | The researcher views data as inherent to documents. |
| The researcher is very involved in the research process, and his or her interpretation may be one of many possibilities, placing a responsibility (some refer to it as a burden) on him or her to convince readers of the truth of the results. | Evidence is obtained by counting the number of positive references, whether these are measured in terms of keywords, sections, phrases, sentences, paragraphs, or unit of analysis. Reliability and validity can be determined through statistical significance. |
| Uses formal logic, and generally lacks the use of 'objective' tools. Usually relies on the researcher's ability to present a clear description and make a strong argument for the analyses, to support the conclusions. | Uses statistical measures, software programs, and formal logic, all considered 'objective' tools. |
| The aim is to deal with the richness of complex realities. | Usually abstracts artificially constructed pieces of complex realities. |
| Has a measure of vagueness and a situational nature in its standards of evidence; difficult to reach scientific consensus. | More precise in presenting evidence; easier to reach scientific consensus. |
| Findings tend to be conjectural, non-verifiable, non-cumulative, 'meanings' arrived at by sheer intuition and individual guesswork (Wesley, 2010). | Findings are considered more hypothetical, verifiable, and cumulative, and meanings are drawn from statistical analysis. |

Thus, it is clear that a qualitative approach differs from a quantitative approach in significant ways. To summarise, qualitative document analysis has the advantage of being able to deal with complex realities, but does not make use of statistical measures, leaving the reader with little or no choice but to trust the researcher's judgement and interpretation of collected data.

2.4 SAMPLING STRATEGY

The sampling strategies adopted in qualitative research are “those that seek out key informants, those with the knowledge and experience that will allow some description and interpretation to take place” (Wesley, 2010, p. 15). Sampling in qualitative research refers to “the process used to select a portion of the population for study” (Maree, 2007, p. 79). Castillo (2009) defined sampling as a technique whereby individuals of a population are identified by researchers to serve as representatives of the population. It is important to select a sample in a systematic way, to ensure that the community/users/external actors see it as a credible and indicative sample (Pratton & Cochran, 2002).

Technically, the sample in the present study cannot be identified, seeing that the investigation entailed a literature review and document analysis. The sample can be described as all relevant documents, articles, and other relevant secondary sources that were used to answer the research questions. When doing a document analysis, the researcher should locate relevant information in order to answer the research question. If there is too much information to cover, a sample needs to be identified (Prasad, 2001). A typical description of samples in content analysis specifies a topic area and time period. In the present study, all documents relevant to the topic of transnational labour relations and IFAs published between 2000 and 2015 were used.

This study used a purposive sampling technique. With purposive sampling, each element (document) is selected for a purpose, and can involve studying the entire population or a certain group (Radwan, 2009). A purposive sample of various documents was selected. The main consideration in the selection of documents was relevance to the topic. In order to eliminate duplication, the documents were referenced directly after they had been retrieved. A total of 125 documents relevant to the topic were collected, which provided the data for analysis. The researcher identified the following advantages of using this sampling method:

- i. Firstly, by having a specific purpose in mind, the documents that were unsuitable for use in the study had already been eliminated; only the most relevant documents were retained.
- ii. Because the most appropriate documents had been selected for investigation, the process became a lot less time-consuming.
- iii. Due to less time required and a more accurate subject, the cost of carrying out the sampling was reduced.
- iv. The results of purposeful sampling were expected to be more accurate than those achieved with an alternative form of sampling.
- v. Purposive sampling was the best (and only) way to locate the rare group of documents to be utilised in the study.

In addition to the advantages listed above, purposive sampling also has disadvantages. These are as follows:

- i. The sample population used may not necessarily be the population to which the researcher is trying to gain access.
- ii. Access to documents is not always readily available.
- iii. With probabilistic sampling, the general probability of a good representation of the population is well established and known. With non-probability sampling, the general population may not be sampled correctly. It may be more difficult to evaluate what has actually been achieved, since purposive sampling can be subjective.

2.5 DATA COLLECTION

Qualitative research requires vigorous data collection methods and documentation of the research process (Bowen, 2009). Owen (2013, p. 6) defined research methods as “the techniques or procedures used to gather and analyse data related to some research question or hypothesis.” Document analysis was used as the main method of data collection and analysis in the present study, as documents and articles were the only data source. However, a document analysis focuses more on data selection than on data collection.

Document analysis is a social research method, and is said to be an essential research tool in its own right and an instrumental part of most schemes of triangulation (Alvesson & Skoldberg, 2009). In other words, it can be used in conjunction with other methods or as a stand-alone method (Bowen, 2009). In document analysis, the contents of various documents are examined, yet the document analysis is seen as a method of data collection, and not necessarily a data analysis method (Myers & Barnes, 2005). Although data collection and data analysis take place at the same time, the present study used the document analysis method as a data collection technique, and employed content analysis as the data analysis method.

This method is just as cost-effective, and sometimes more so, than social surveys, in-depth interviews, and participant observation (Mogalakwe, 2006). Payne and Payne (2004, p. 61) described the documentary method as the techniques used to “categorise, investigate, interpret and identify the limitations of physical sources, most commonly written documents whether in the private or public domain.” The systematic procedure involves “finding, selecting, appraising (making sense of) and synthesising data contained in documents” (Bowen, 2009, p. 29).

According to Baily (1994), a document analysis is a social research method that involves a lot of reading, the finding and interpretation of patterns in data, the classification of patterns, and the generalising of results, and is useful when examining actions, events, or occurrences. Furthermore, it often avoids ethical pitfalls. Bowen (2009) stated that document analysis yields data (extracts, quotations, or entire passages) that are then organised into major themes, categories, and case examples, specifically through content analysis. The document analysis as part of a data-gathering strategy in the present study involved examining all relevant published and unpublished documents, company reports, memoranda, agendas, administrative documents, letters, reports, e-mail messages, faxes, newspaper articles, and any document connected to this investigation, as suggested by Baily (1994) and Bowen (2009). These types of documents may be found in “libraries, newspaper archives, historical society offices, and organisational or institutional files” (Bowen, 2009, p. 28).

Research distinguishes between primary and secondary sources of data, which also applies to documentary research. Researchers are required to reflect on the different sources that they intend to use and on which they will base their results and findings. Researchers have a choice between using primary or secondary data, or both; the latter is termed *triangulation* or *dual methodology*. According to the Sapsford and Jupp (2006), a primary source is a document created at the time of the research subject, about the research subject, and these documents are directly connected with the events or people being researched. Primary sources are also personal, direct versions of an event, a life, or a moment in time, meaning they are in their original form (diaries, letters, photos, etc.), usually without reason or interpretation (Mogalakwe, 2006). Generally speaking, primary resources of data are unpublished (but may also be in published form), which the researcher has gathered from accomplices or directly from organisations; in other words, original source documents (Maree, 2007).

Secondary sources refer to “any materials (books, articles, etc.) that are based on previously published works” (Maree, 2007). Secondary sources provide analyses, reviews, or summaries of data from primary sources or other secondary sources. Sources that present facts and explanations about proceedings are secondary, unless these are based on direct participation or observation. Moreover, secondary sources regularly rely on other secondary sources and typical disciplinary methods such as established research methods to draw conclusions, and they provide the main source of analysis of data from primary sources (Mogalakwe, 2006). Secondary sources are mostly written a while after an event occurred, by individuals who were not necessarily present and are based on a range of other sources, which can include books, journal articles, textbooks, and reference sources (Sapsford & Jupp, 2006). After distinguishing between the two sources of data, it is clear that the present research study used secondary sources of data — documents based on previously published work.

When the documents were analysed, care was taken to assess the authenticity and trustworthiness of the records before using them seeing that not all material placed on the internet is precise and reliable, and not everything that gets printed in a report

is empirically correct (Maree, 2007). This will be further elaborated on when discussing ethics and the trustworthiness of a document analysis.

Documentation is a rich and descriptive source of data (Myers & Barnes, 2005). Radwan (2009, p. 35) described a document as “any substance that gives information about the investigated phenomenon and exists independently of the researcher’s actions.” Mogalakwe (2006) agrees and stated that a document is an artefact whose central feature is an adorned text, or simpler, a document is a written text. Documents contain texts, consisting of words and/or images that have been recorded. It is important to note that not all documents are intentionally produced for the purpose of research (Payne & Payne, 2004).

Most countries and institutions produce foundational documents that can be easily retrieved, usually relatively cheaply (Mogalakwe, 2006). The present researcher analysed a variety of documentary material that was critical to gaining a thorough understanding of the topic under investigation (Myers & Barnes, 2005). For the present investigation, the researcher relied on published public documents, printed and online, obtained through libraries, electronic databases, and relevant persons.

According to Evaluation ETA (2009) and Mogalakwe (2006), there are three main types of documents, namely public records, personal documents, and physical evidence. Public records are the most common form of document, and include papers such as handbooks, government publications, mission statements, annual reports, statistical bulletins, policy manuals, and strategic plans. Personal documents are not that often utilised seeing that it is first-person account of an individual’s experiences and beliefs which normally include e-mails, blogs, Facebook posts, diaries, medical records, journals, and incident reports and can be too subjective. Physical evidence in the form of objects used in the setting, such as brochures, agendas, training materials, and posters are also very useful.

Documents may be internal or external to an institution or organisation, and can be in a hard copy or electronic form (Evaluation ETA, 2009). Bowen (2006) mentioned that documents provide a means of tracking change and development. The present

researcher used existing documents such as journal articles to examine how the concept of transnational labour relations has developed and changed, and also how IFAs came about. Owen (2013, p. 11) pointed out that “documents form a field for research in their own right,” and should not necessarily be seen as merely props for research. Therefore, documents may be seen as a source of primary data, and not just a supplement to other sources.

Bowen (2009) pointed out that document analysis has some major advantages over other qualitative methods. Some of these advantages include the fact that documents are easily accessible and available and the analysis is cost-effective seeing that the data have already been collected. Document analysis is unobtrusive, meaning that there are no participants who may be affected by the research process. Documents are stable and exact, provide broad coverage, and can cover a long time span. Unfortunately, there are also some pitfalls to using documents, which should, be noted and if possible, avoided.

The potential pitfalls can be summarised as:

- i. Information may be inapplicable, disorganised, incomplete, or outdated.
- ii. Information in documents can be biased.
- iii. Information may be incomplete or inaccurate.
- iv. It can be time-consuming to collect, review, and analyse many documents.
- v. Documents are sometimes difficult to retrieve.
- vi. Only certain documents being selected to be reviewed may lead to a biased selection (biased selectivity).

Summary of advantages of qualitative document analysis are:

- i. it is relatively inexpensive (cost effective);
- ii. documents are a good source of background information;
- iii. the analysis is unobtrusive;
- iv. documents are readily available;
- v. they provide a behind-the-scenes look at a situation;
- vi. they may bring up issues not noted by other means;
- vii. they help the researcher to study the past;

- viii. document analysis is a non-reactive technique (information in a document is not subject to distortion as a result from interaction between researcher and respondent);
- ix. stability (can be used for repeated reviews);
- x. exactness (documents generally include dates, times, and specific references); and
- xi. broad coverage (long time spans and many events or settings).

When assessing existing documents, it is important to establish what types of documents exist in the specific field and which ones will be able to answer the research question (Evaluation ETA, 2009). Not all documents are readily available, and some might need to be purchased online. Others may require the researcher to gain some additional assistance to gain access to the necessary documents. This was not a problem in the present study, as the researcher had contacts in Germany, the United Kingdom, and in South Africa — students and lecturers at different institutions. In the present study, it was considered appropriate to conceptualise transnational labour relations and its various elements in order to undertake an analysis of various documents on transnational labour relations and IFAs, such as reports, newsletters, conference proceedings and journal articles.

The data analysis technique will be described in greater detail later in this section, yet it is important to consider how the information from the documents was summarised and analysed. Evaluation ETA (2009) suggests that a researcher should create a data collection form to summarise data. This form should also contain information on the type of document reviewed, a way to reference each document, and data that would answer the relevant research question or meet the research objectives. This form is then used to analyse the findings obtained.

The present study made use of all relevant secondary sources applicable to the research question. A literature search to identify all studies on transnational labour relations, IFAs and codes of conduct of MNCs that were published from January 1990 to February 2015 was performed. This search was performed by using electronic databases offered by the University of Pretoria's library as well as

reviewing the bibliographies of relevant articles and other documents. Keywords were used in the searches to obtain the latest relevant documents.

It can be concluded that the document analysis is a valuable tool for collecting qualitative data; however, there is a need to increase academics' understanding of the process and strengthen its credibility in conducting useful investigations. Just as any other method it has its strengths and limitations (or rather potential flaws) that the researcher should be aware of. However, overall, it was considered a valid strategy for conducting research on transnational labour relations. In this study a number of documents were critically analysed, which enabled the researcher to highlight any contradictions or similarities in the evidence obtained.

This section explained the function of documents as a data source in qualitative research, and discussed the document analysis procedure employed in the present study. The nature and form of different documents were discussed, and the advantages and limitations of document analysis were outlined. It was postulated that original research can be done using pre-existing data.

2.6 DATA ANALYSIS

The result of any research effort is a collection of information, whether it is documents, taped interviews, or field notes (Myers & Barnes, 2005). This collected information should then be transformed into something that summarises and describes to interested people what has been collected, in other words what the results are, and how these should be interpreted. The process of sorting information to provide a discussion and results is referred to as *data analysis*.

Qualitative analysis is a process of reviewing, synthesising, and interpreting data to describe and explain a phenomenon or social worlds being studied (Fossey, Harvey, McDermott, & Davidson, 2002). The analysis of qualitative data is often seen as the most difficult part of the exercise, yet it is satisfying to see patterns emerge and be able to draw meaningful conclusions (Patton & Cochran, 2002). The process of

analysis starts from the very first time the data are collected and lasts until the research study is completed.

2.6.1 Content Analysis

Myers and Barnes (2005) described content analysis in simple terms by stating that it is the process whereby the researcher categorises the contents of a document under different headings in order to best answer the research question. This raises the question whether document analysis and content analysis constitute a data-collection or a data-analysis technique. There are misunderstandings when it comes to this question and as Franzosi (2008) stated, there is confusion on the issue of content analysis as data collection of data analysis technique. Data collection refers to “what goes into content analysis as input whereas content analysis itself refers to the data analysis phase of those texts” (Franzosi, 2008, p. 3). According to Franzosi (2008, p. 9), qualitative content analysis, as all qualitative approaches, “does not draw a sharp separation between data collection and analysis; the two processes proceed in parallel and, simultaneously, in a reflexive interaction with the text.”

Not many recent definitions of the term *content analysis* are available. Hsieh and Shannon (2005) stated that this might be due to the flexibility of this analysis method, as well as a lack of set procedures. Yet, it remains a useful method for many scientists. The present researcher came across the following definitions of content analysis. Hsieh and Shannon (2005, p. 1278) defined content analysis as a “research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns.” Similarly Berg (1989, p. 238) defined content analysis as “any technique for making inferences by systematically and objectively identifying characteristics from written documents.”

Content analysis is a commonly used research method for objective and systematic examination of content (Kim & Kuljis, 2010). Elo and Kyngäs (2008, p. 107) described content analysis as “a method of analysing written, verbal or visual communications,” whereas Kim and Kuljis (2010, p. 283) viewed it as the “application

of scientific methods to documentary evidence.” According to Prasad (2001, p. 2), content analysis refers to “any procedure for assessing the relative extent to which specified references, attitudes, or themes permeate a given message or document.” Patton (2002, p. 453), on the other hand, viewed it as “any qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meanings.” According to Hsieh and Shannon (2005), the goal of content analysis is to “provide knowledge and understanding of the phenomenon under study.” Scholars view content analysis as a flexible method of analysing text data (Hsieh & Shannon, 2005; Prasad, 2001). Content analysis as a research method is a “systematic and objective way of describing phenomena,” and is also a known method of analysing documents (Elo & Kyngäs, 2008, p. 107).

Content analysis may be used in both qualitative and quantitative studies (Kim & Kuljis, 2010). Zhang and Wildemuth (2009) explained the differences between qualitative and quantitative content analysis. Some of their conclusions include the fact that qualitative content analysis uses an inductive rather than deductive approach; it normally uses purposive sampling instead of random sampling; and the outcome is usually descriptions along with expressions, not numbers. Qualitative content analysis is interpretive in nature, and does not utilise statistics when analysing data. Elo and Kyngäs (2008, p. 107) described it as a “research method for making replicable and valid inferences from data to their context, with the purpose of providing knowledge, new insights, a representation of facts and a practical guide to action.”

These definitions and explanations illustrate that content analysis focuses on integrating texts and their specific contexts, and is a qualitative research technique that is used extensively. The use of content analysis goes back to the 19th century, when it was commonly used in newspaper articles, communication research, and political studies (Elo & Kyngäs, 2008; Prasad, 2001). Since then, it has often been seen in the fields of communication, journalism, sociology, psychology, and business management. Over the last few decades, this method has been developed and been used more frequently.

2.6.2 The Qualitative Content Analysis Process

Qualitative content analysis is a process designed to “condense raw data into categories or themes based on valid inferences and interpretation” (Zhang & Wildemuth, 2009, p. 2). This method makes use of inductive reasoning, meaning that different themes and categories surface as the researcher examines and constantly compares the data. Content analysis attempts to identify specific categories and criteria of selection before the analysis process begins (Radwan, 2009). Berg (1989) agrees and stated that, when using this method, there must be sufficiently meticulous selection criteria. The material analysed in the present study was documents, as described in the data collection and sampling section. Zhang and Wildemuth (2009) pointed out that, in support of making valid and reliable inferences, qualitative content analysis consists of a range of systematic and transparent procedures for processing data. The process of qualitative data analysis usually starts during the initial stages of data collection (Zhang & Wildemuth, 2009).

Research that uses qualitative content analysis focuses on the “characteristics of language as communication with attention to the content or contextual meaning of text” (Hsieh & Shannon, 2005, p. 1278). Such text data can take various forms (for example, verbal, print, or electronic form), and can be obtained from “narrative responses, open-ended survey questions, interviews, focus groups, observations or print media such as articles, books or manuals” (Hsieh & Shannon, 2005, p. 1278). The present study only made use of documents, whether published, unpublished, printed, or in electronic print media format, and not from sources such as interviews or focus groups, as the research method was a literature review and document analysis (see section on research design and data collection).

2.6.3 The Inductive Content Analysis Process

Step 1: Prepare the Data

Qualitative content analysis analyses various types of data, but generally the data should be captured in written text format before it can be analysed (Zhang & Wildemuth, 2009). If the data are already in a written text form, for example,

documents, the choice of content should be justified by what the researcher wants to know (Patton, 2002; Zhang & Wildemuth, 2009).

Step 2: Define the Unit of Analysis

Preparing the data begins with selecting the unit of analysis, which can be either a word or a theme (Elo & Kyngäs, 2008). The unit of analysis refers to “the basic unit of text to be classified during content analysis” (Zhang & Wildemuth, 2009, p. 3). It is important to reflect on the sampling considerations before selecting a unit of analysis, and the sample should be representative (Elo & Kyngäs, 2008). When working with very large documents, probability- or judgement sampling might be necessary. Units of analysis should be neither too big nor too small. Making it too big might make the process challenging, whereas a too small analysis unit may result in fragmentation (Elo & Kyngäs, 2008).

Qualitative content analysis normally utilises individual themes as units of analysis, instead of linguistic units, which are normally used in quantitative content analysis (Zhang & Wildemuth, 2009). A theme might be articulated in one word, phrase, sentence, paragraph, or an entire document (Zhang & Wildemuth, 2009). Elo and Kyngäs (2008, p. 109) supports this view and mentioned that, depending on the research question, “the unit of analysis can also be a letter, word, sentence, portion of pages or words, and the number of participants in a discussion.” When using a theme as the coding unit, the researcher primarily searches for expressions of an idea (Zhang & Wildemuth, 2009). In other words, the researcher assigns a code to a piece of text of any size that is representative of a single theme relevant to the study.

Step 3: Develop Categories and a Coding Scheme

The data need to be organised, in order for the researcher to try and make sense of the data, to learn ‘what is going on’ and find a complete ‘picture.’ According to Zhang and Wildemuth (2009, p. 3), categories and a coding scheme are “derived from three sources: the data, previous related studies, and theories.” Coding schemes can be developed inductively or deductively from the data (Zhang & Wildemuth, 2009). Elo and Kyngäs (2008) stated that content analysis can be used in qualitative and quantitative research, and can be used in an inductive or deductive

way. According to Elo and Kyngäs (2008), both inductive and deductive methods consist of three crucial stages, namely preparation, organising, and reporting.

The present study followed the inductive approach to content analysis, as there was not enough former knowledge about the phenomenon; thus, the categories were derived from the data. The study therefore developed theory instead of testing theory. Elo and Kyngäs (2008, p. 109) explained that an approach grounded in inductive data “moves from the specific to the general, so that particular instances are observed and then combined into a larger whole or general statement.” The advantage of using an existing coding scheme (developed in previous studies) is that it can support the growth and comparison of research outcomes of several studies (Zhang & Wildemuth, 2009). Document analysis, and thus content analysis, usually uses descriptive coding rather than evaluative coding, as these studies normally begin with a general question. Descriptive coding summarises a word or short phrase as the basic topic of a passage of data (Owen, 2013).

Content analysis enhances understanding of textual data, and, when doing the analysis, the researcher can ‘filter’ the words into categories (Elo & Kyngäs, 2008). One can assume that the identified and classified categories share the same meaning. Content categories flow from the research questions, and should come from an evaluation of the relevant works and related studies (Prasad, 2001).

In the present study, text was classified into categories, which represented similar meanings, or to the contrary, presented opposite conclusions or statements, which could signify either explicit or inferred communication. The basic classifying process in content analysis is to arrange large amounts of text into far fewer content categories, whereafter the relationships among the different categories are identified (Hsieh & Shannon, 2005; Elo & Kyngäs, 2008).

Hsieh and Shannon (2005, p. 1284) explained categories as “patterns or themes that are directly expressed in the text or are derived from them through analysis.” Prasad (2001, p. 11) defined content categories as “compartments or ‘pigeon holes’ with explicitly stated boundaries into which the units of content are coded for analysis.” The purpose of developing categories or certain concepts (it is the researcher’s

decision to use either concepts or categories) is to create a model, a conceptual system, or a conceptual map (Elo & Kyngäs, 2008). In the present study, categories, instead of concepts, were developed, as the purpose was to explain transnational labour relations and related literature, and not necessarily to develop theory.

Prasad (2001) pointed out that researchers generally experiment with quite a few categories before finalising a set of categories to be used in a study. Existing categories from other studies also tend to be useful. Each content category should be defined, which will serve as an indication of what type of material (documents) will be included or excluded (Prasad, 2001). Categories should be developed in such a manner that all relevant data can fit into a category, but should also be exclusive, so that different themes each belong to only one category. Zhang and Wildemuth (2009), however, stated that content analysis allows the researcher to assign a unit of text to more than one category simultaneously. Consistency of coding can be assured through the development of a coding manual that includes the category names, definitions of categories and codes, and examples (Zhang & Wildemuth, 2009).

According to Hsieh and Shannon (2005), the success of content analysis relies significantly on this categorising process. Categories should be well formulated and amended to the problem and content (Prasad, 2001). The present study followed the constant comparative method, which is normally encouraged when one develops categories inductively. The constant comparative method stimulates original insight, and enables the researcher to establish differences between categories (Zhang & Wildemuth, 2009). The principle of this method is “a systematic comparison of each text assigned to a category with each of those already assigned to that category, in order to fully understand the theoretical properties of the category” (Zhang & Wildemuth, 2009, p. 4).

In summary, analysis in the present study was conducted using an inductive approach. The qualitative data were organised using open coding, creating categories and abstraction. The following process was followed during this step (Elo & Kyngäs, 2008):

Open coding

- Notes and headings were written in the document while reviewing it. Headings were written in margins and copied to coding sheets. During this process, categories were generated.

Creating categories

- Lists of categories were grouped under higher-order headings.
- The aim of grouping data was to reduce the number of categories by subsiding those that were similar or divergent into extensive higher-order categories. Comparisons between data were made to see whether there were similarities or contradictions in the literature.
- Creating categories provides a way to describe the phenomenon, increase understanding, and generate knowledge.
- Formulating categories through inductive content analysis enables the researcher to decide, through his/her interpretation, which data to include in the same category.

Abstraction

- Abstraction entails drawing a general picture of the research subject by means of generating categories. This process continues as long as possible.
- In the present study, each category was named using a word that described the specific features of the content (content-characteristic words).
- Subcategories with related actions and dealings were clustered together as categories, and some categories were then grouped into focal categories.

Step 4: Test Your Coding Scheme on a Sample of Text

When using a reasonably standardised process in the analysis stage, it is advisable to develop and validate the coding scheme early on in the process (Zhang & Wildemuth, 2009). According to Zhang and Wildemuth (2009), the best way of assessing the transparency and constancy of the category definitions is to code a sample of the data. Next, the coding consistency needs to be revised, generally through a test of inter-code agreement. When the level of consistency is found to be low, the coding rules should be revised (Zhang & Wildemuth, 2009).

Step 5: Code All the Text

Owen (2013, p. 16) defined a code in qualitative research as “most often a word or short phrase that symbolically assigns a summative, salient, essence-capturing, and/or evocative attribute for a portion of data.” If consistency is achieved, the coding rules should then be applied to the entire body of the text. It is possible for new themes and categories to emerge, as coding will proceed while new data are continuously collected (Zhang & Wildemuth, 2009). Prasad (2001) stated that, at times it might be necessary to add a category or create a subcategory. These new categories or themes should then be added to the coding manual. The present study made use of descriptive coding, as the study began with general questions.

Step 6: Assess the Consistency of Your Coding

When the whole data set has been coded, the researcher has to recheck the consistency of the coding. One cannot simply assume that the whole body of text is coded in a consistent manner after assessing only a sample of text. Because researchers are the coders, the process is subject to fatigue, and humans are likely to make errors as the coding process proceeds. Zhang and Wildemuth (2009) also pointed out that new categories could have been added after the first consistency check. In addition, a researcher’s understanding of the categories might have been altered, or the coding rules might have changed, which may have caused considerable inconsistencies (Zhang & Wildemuth, 2009). Therefore, it is vital to revise the consistency of the coding process.

Step 7: Draw Conclusions from the Coded Data

This step involves “making sense of the themes or categories identified, and their properties” (Zhang & Wildemuth, 2009, p. 5). During this step, the researcher will make inferences and present the reconstruction of meanings derived from the data (Zhang & Wildemuth, 2009). Berg (1989, p. 238) defined content analysis as “a technique for making inferences by systematically and objectively identifying characteristics from written documents.” According to Zhang and Wildemuth (2009, p. 5), the activities involved in this step include “exploring the properties and dimensions of categories, identifying relationships between categories, uncovering patterns, and testing categories against the full range of data.” This step is crucial to

the analysis process, and relies heavily on the researcher's reasoning abilities (Zhang & Wildemuth, 2009).

Step 8: Report Your Methods and Findings

For any study or investigation to be replicable, the researcher needs to monitor and report the analytical processes and procedures as comprehensively and truthfully as possible (Patton, 2002). With qualitative content analysis, the researcher needs to report the "decisions and practices concerning the coding process as well as the methods used to establish the trustworthiness of the study" (Zhang & Wildemuth, 2009, p. 5).

As mentioned earlier, qualitative content analysis uncovers patterns, themes, and categories, instead of producing numbers or statistical calculations. Presenting these findings is sometimes demanding. Using quotations to rationalise and substantiate conclusions is a common practice, yet Zhang and Wildemuth (2009) pointed out that other forms of data display can also be included, such as matrices, charts and graphs, and conceptual networks. The method and scope of reporting will ultimately depend on the researcher and the specific research goals (Patton, 2002).

When presenting the analysis results, the researcher should attempt to find a balance between description and interpretation. Descriptions give readers background and context, and therefore need to be rich and thick. According to Zhang and Wildemuth (2009), qualitative research is primarily interpretive, and interpretation signifies one's personal and theoretical comprehension of the specific phenomenon under study.

Steps followed in the present study

During the content analysis, the researcher followed the following steps in identifying themes and categories within the documents under study (adapted from Meyer & Barnes, 2005):

1. The texts were chosen based on the specific topic, research question, and objectives.
2. The researcher followed an inductive approach, meaning that the coding was developed from the analysis and interpretation of the documents.
3. After reading a few documents, coding categories were constructed, which were used as a guideline to analyse the rest of the documents.
4. The coding categories were tested and revised, in order to ensure that these worked when reading the documents.
5. All the data (documents) in the sample were categorised by dividing them into categories.
6. Relationships between the categories were then identified.
7. A data file was created, which incorporated all the categories.
8. A 'codebook' was written to explain what the categories indicated.

Content analysis can be performed using various approaches, ranging from “impressionistic, intuitive, interpretive analysis to systematic, strict textual analysis” (Hsieh & Shannon, 2005, p. 1278). Once again, the choice of content analysis will depend on the researcher, his/her research question, and the topic being investigated. Hsieh and Shannon (2005) pointed out that there are three approaches to content analysis, namely conventional, directed, or summative. All three these approaches are used to construe meaning from the content of text data. According to Hsieh and Shannon (2005, p. 1277), the main differences between these approaches are “coding schemes, origins of codes, and threats to trustworthiness.” The present study followed the conventional content analysis method, as coding categories were derived from the text data. The categories were derived from the data during data analysis. According to Hsieh and Shannon (2005), conventional content analysis is usually used when the aim of a study is to describe a phenomenon, in this case, transnational labour relations, together with international framework agreements.

Conventional content analysis is generally suitable for a topic if the literature is quite restricted, and thus avoids the use of preconceived categories; instead, the categories flow from the data (Hsieh & Shannon, 2005). In this way, the present researcher engaged with the data, to allow new perceptions to surface, which is also

known as *inductive category development*. The data analysis process begins with reading all data, to ensure engagement with the text and to obtain a sense of the whole — getting a comprehensive picture. Thereafter, the data are studied word for word, to derive categories through “highlighting the exact words from the text that appear to capture key thoughts or concepts” (Hsieh & Shannon, 2005, p. 1279).

2.6.4 Advantages and Limitations of Content Analysis

According to Meyers and Barnes (2005, p. 45), content analysis “represents a useful way of attempting to understand what texts convey about various processes and impacts.” An advantage of qualitative content analysis method is that large amounts of textual data can be analysed, and various textual sources can be used in substantiating evidence (Elo & Kyngäs, 2008). The aim of content analysis is to attain a summarised but comprehensive explanation of the phenomenon, and the product of the analysis is theories, concepts, or categories that describe the phenomenon (Elo & Kyngäs, 2008; Prasad, 2001).

Prasad (2001) described content analysis as a safe method, because, if a section of the required information is missing, vague, or coded in the wrong way, the investigator can return to the transcript and supplement the missing data. When investigating a phenomenon, the investigation does not influence the research procedure, ensuring that results are less biased, compared to other techniques (Kim & Kuljis, 2010). Some other advantages to content analysis, as highlighted by Prasad (2001), include the following:

- i. it is unobtrusive;
- ii. it is unstructured;
- iii. it is context-sensitive;
- iv. it can deal with large volumes of data;
- v. it examines texts, not individuals directly; and
- vi. it is cost-effective, as it does not use computer programs.

As with any other method, content analysis has some disadvantages and limitations. According to Elo and Kyngäs (2008), most of the criticism against content analysis is

related to quantitative research; some have argued that the qualitative content analysis technique is too simplistic and not truly qualitative in nature. However, as Elo and Kyngäs (2008) pointed out, any method can be seen as too simplistic when the correct analysing method is not used. The present researcher agrees with the argument that content analysis can be “as easy or as difficult as the researcher determines it to be” (Elo & Kyngäs, 2008).

Limitations and disadvantages to the use of qualitative content analysis are as follows (Elo & Kyngäs, 2008; Prasad, 2001).

- i. Disadvantages of qualitative content analysis pertain to a research question that is too vague, broad, or uncertain. Too much interpretation by the researcher might also cause reliability issues in the content analysis.
- ii. Qualitative content analysis can be regarded as more complex, as the process is less standardised than that of quantitative analysis.
- iii. Data analysis outcomes and results differ from study to study, and are dependent on the investigator’s skills, insights, experience, and analytical abilities.
- iv. Care should be taken not to merely summarise conclusions without substantiating them with numerous supporting excerpts, otherwise richness in the data might be lacking.
- v. Content analysis is limited to examining already written, recorded, or published documents. This is emphasised by the fact that the content analysis method is used as a complete research strategy, and not just a research tool.
- vi. Qualitative content analysis is labour intensive.
- vii. Inferences are limited solely to the content of the text.
- viii. Different researchers might not necessarily derive the same meaning from a text.
- ix. Reliability and validity issues remain unresolved.

To summarise the data analysis procedure of the present study, the data were coded to reduce data by dissecting the text into manageable and meaningful text segments, using of a coding framework. Common themes were abstracted from coded text

segments, whereafter the themes were refined. Thereafter, the themes were arranged; basic themes were selected and then rearranged into organising themes. These themes were deduced and illustrated as a thematic network, whereafter the network was described, explored, and summarised. In the last analysis stage, the obtained information was integrated, forming patterns to be interpreted.

Following such a systematic procedure when doing content analysis increases the trustworthiness and validity of the study (Hsieh & Shannon, 2005). The content analysis technique of analysing data offered the present researcher a flexible, practical method for developing and extending knowledge on the topic of transnational labour relations. Regardless of its limitations, the researcher found that content analysis was the appropriate data analysis technique. It offered the additional benefit of avoiding long ethical procedures. The method offered an opportunity to identify different trends and patterns in the data, in order to draw meaningful conclusions. As Zhang and Wildemuth (2009, p. 1) said, “content analysis allows researchers to understand social reality in a subjective but scientific manner.”

TRUSTWORTHINESS

In order to evaluate the quality of research when using the document- and content analysis approach, the following criteria are proposed: validity, reliability, and objectivity (Zhang & Wildemuth, 2009). The same approach was followed for the document analysis and content analysis in the present study; both are described in this section. Mogalakwe (2006) formulated “quality control criteria” for handling documentary sources, which include: authenticity, credibility, representativeness, and meaning. Zhang and Wildemuth (2009) and Meyers and Barnes (2005) highlighted the proposed three criterions (developed by Lincoln and Guba in 1985) for evaluating interpretive research. These are: credibility, transferability, and conformability.

Further, Prasad (2001) mentioned that content analysis should adhere to the three basic ideologies of a scientific method. These three principles include: objectivity,

being systematic, and generalisability. Wesley (2010) pointed out that there are certain rules and concerns when using text (documents) as data in political research. He named four elements to take into consideration when assessing trustworthiness, namely authenticity, portability, precision, and impartiality. Clearly, there are various factors to consider regarding the trustworthiness of qualitative document analysis. All of the above-mentioned elements will be integrated to provide an overall guideline for assessing trustworthiness.

Validity

In qualitative document analysis, it is important to establish the validity, which can be done by providing data that are considered trustworthy by colleagues (Wesley, 2010). According to Elo and Kyngäs (2008, p. 112), the “elements of validity in content analysis are universal to any qualitative design.” However, when it comes to the reporting process of analysis, there might be some additional factors that require attention. The validity of research lies in the precision or correctness of the research findings (Radwan, 2009; Wesley, 2010), and consists of internal and external validity. The former ensures that “the researcher investigates what he claims to be investigating,” whereas external validity is concerned with the extent to which the research findings can be generalised to the wider population (Radwan, 2009, p. 28). The internal validity of content analysis can be measured as face validity (Elo & Kyngäs, 2008). The way in which qualitative data are collected offers a further advantage with regard to face validity (Marshall & Rossman, 2010).

In terms of the present research, validity was achieved by undertaking multiple methods to investigate the problem from different angles and to strengthen the validity of the findings. The researcher selected multiple representative documents to cover all the issues related to the study, and to increase the probability of generalisation. Furthermore, most of the categories created in the analysis process were directly linked to the research’s aim and objectives, and covered all aspects of the topic. Finally, most secondary sources of data used had been published, and therefore peer reviewed, which supported the validity of the information.

Reliability

Reliability is the “extent the research findings can be replicated, if another study is undertaken using the same research methods” (Radwan, 2009, p. 28). The exact replication of studies is difficult to achieve in qualitative research; therefore, it is crucial to give a detailed description of the process and procedures followed to obtain the results. Researchers are required to analyse and simplify data; they should also “form categories that reflect the subject of study in a reliable manner” (Elo & Kyngäs, 2008, p. 112). Creating categories in content analysis is a practical and theoretical challenge, as the categories should be practically and theoretically substantiated.

Demonstrating a link between the findings and the data is one way of increasing the reliability of a study (Elo & Kyngäs, 2008). It is for this reason that it is important to describe the analysis process thoroughly when reporting the results. According to Elo and Kyngäs (2008), it is useful to make use of appendices and tables when demonstrating the links between data and results. It is necessary for researchers to demonstrate the reliability of their results and analysis, to enable other scholars to track the process and procedures of the investigation (Elo & Kyngäs, 2008).

When replicating the present study, the circumstances surrounding the research might not be exactly the same. However, in an effort to help others understand and appreciate all the decisions made and the processes implemented during this study, all decisions and procedures used were stated and set out clearly. This also assisted in increasing the probability of replicating this study. The study provides in-depth information about the purpose and objectives of the research, the way in which the study was carried out, as well as the reasons why the specific research strategy and methods were adopted.

Credibility

Credibility refers to the “adequate representation of the constructions of the social world under study” (Zhang & Wildemuth, 2009, p. 6). Elo and Kyngäs (2008) agree and stated that credibility of research findings also deals with how well the categories

cover the data. Lincoln and Guba (1985) proposed a range of activities that might assist in refining the credibility of one's research: prolonged engagement in the field, triangulation, peer debriefing, and persistent observation. In order to enhance the credibility of qualitative content analysis, the researcher's data-collection strategies should be able to adequately solicit representations. It is also imperative to design transparent processes for coding and drawing conclusions from the raw data (Zhang & Wildemuth, 2009). According to Zhang and Wildemuth (2009, p. 6), "coders' knowledge and experience have significant impact on the credibility of research results" (Zhang & Wildemuth, 2009). It is essential that the researcher provide detailed coding definitions and procedures, and it might be useful for coders to attend a coding training programme (Weber, 1990). In general, *credibility* refers to "whether the evidence is typical of its kind" (Mogalakwe, 2006, p. 226).

Authenticity refers to "whether the evidence is genuine and from impeccable sources" (Mogalakwe, 2006, p. 225). An authentic analysis is one that provides a true reading of specific documents or a genuine interpretation of reality, which is referred to as *credibility*. It can thus be seen that the authenticity of qualitative document analysis relies on the subjective evaluation of the researcher, and is not measured against an objective standard (as is the case in quantitative analysis). Authentic citations are another important element, as these can increase trustworthiness (Elo & Kyngäs, 2008). Citations illustrate where and from what type of data the original categories were formulated.

Transferability

Transferability refers to "the extent to which the researcher's working hypothesis can be applied to another context" (Zhang & Wildemuth, 2009, p. 6). Qualitative researchers do not have to present an index of transferability; however, they are responsible for presenting data sets and reports that are "rich enough so that other researchers are able to make judgements about the findings' transferability to different settings or contexts" (Zhang & Wildemuth, 2009, p. 7). Elo and Kyngäs (2008, p. 112) mentioned that "clear descriptions of the context, selection and characteristics of participants, data collection and process of analysis" can facilitate transferability.

Portability is another feature that analysts need to deal with when analysing political documents. Social scientists agree that, for researchers to make a fundamental contribution to the body of knowledge, their investigations should offer insights that go beyond the specific cases under study. In other words, content analysts “strive to convince their readers that their findings can be expanded to other documents, from other sources, times, or places,” also referred to as *transferability* in document analysis (Wesley, 2010, p. 3). As the present study followed a qualitative approach, generalisability was assessed in terms of how experts would evaluate the applicability of conclusions drawn from the findings, rather than testing statistical significance.

Dependability

Dependability refers to “the coherence of the internal process and the way the researcher accounts for changing conditions in the phenomena” (Zhang & Wildemuth, 2009, p. 7). Dependability is determined by reviewing the consistency of the study processes. Precision is another important element researchers should focus on when conducting a document analysis, and is normally assessed in terms of reliability. The term *dependability* is often used by qualitative analysts when describing the precision of research.

Conformability

Conformability refers to “the extent to which the characteristics of the data, as posited by the researcher, can be confirmed by others who read or review the research results” (Zhang & Wildemuth, 2009; Meyers & Barnes, 2005). The primary technique for establishing dependability and conformability is inspection of the research process and findings. Conformability is determined by reviewing the internal consistency of the research product, which is “the data, the findings, the interpretations and the recommendations” (Zhang & Wildemuth, 2009, p. 7).

Impartiality of observations is the final aspect of trustworthiness that requires attention. To remain impartial, researchers should attain conformability in their

findings, to make sure that their conclusions are drawn from the evidence at hand and not to their own tendencies. The results of a qualitative document analysis study are confirmable if “the inferences drawn are traceable to data contained in the documents, themselves, and if the preponderance of evidence corroborates those findings” (Wesley, 2010, p. 4).

Triangulation

Triangulation is a “strategy that can be used to strengthen the confidence of the research findings” (Radwan, 2009, p. 29). Triangulation involves the process of data collection, using multiple methods, and collecting data over different times (Radwan, 2009; Wesley, 2010). Radwan (2009) stated that triangulation can moderate bias and increase the likelihood of generalising the findings. Radwan (2009) identified four triangulation methods that can be used in a single study, namely methodological triangulation, data triangulation, investigator triangulation, and theoretical triangulation. In respect of the present research, data and methodological triangulations were accomplished by collecting the data from different sources and by using multiple methods, including a literature review and document analysis. The use of multiple methods assisted in data triangulation, and, at the same time, was an effective way of overcoming most of the weaknesses of each method.

Further Prasad (2001) cited that content analysis should adhere to the three basic ideologies of a scientific method: objectivity, being systematic, and generalisability. Content analysis should be based on clear rules, enabling various researchers to obtain similar results when analysing the same documents (Prasad, 2001). There should be clear inclusion- and exclusion criteria, in order to eliminate documents favoured by the researcher. Results obtained should be generalisable in the sense that the findings can be applied to other, similar situations (Radwan, 2009). Mogalakwe (2006, p. 227) also identified representativeness and meaning as aspects to consider. *Representativeness* refers to “whether the documents consulted are representative of the totality of the relevant documents,” and meaning refers to “whether the evidence is clear and comprehensible” (Mogalakwe, 2006, p. 227).

With all of the above in mind, this study employed the following.

- i. Triangulation: Various types of data sources were utilised, using a document analysis and a literature review as techniques.
- ii. Intense exposure and thick description: Detailed accounts of the findings were produced, ensuring adequate supporting evidence.
- iii. Audit trails and discrepant evidence: An audit trail was created and used for reporting why and how specific evidence was used, for example, answering questions regarding decisions made about which similarities and differences constitute true patterns in the text.

2.8 ETHICAL CONSIDERATIONS

Ethics are equally important the business world and in research studies. Glesne (2006) pointed out that ethics cannot be forgotten when the demands of institutional evaluation panels are to be satisfied. Ethical considerations should be seen as inseparable from interactions with research respondents and with data (Glesne, 2006). Conducting unethical activities could lead to serious consequences and penalties.

Like all research methods, the document analysis approach entails strict adherence to research principles and ethics. For this reason, a quality control formula for using documentary data exists, to which researchers must adhere (Mogalakwe, 2006). Researchers have a responsibility to their research participants, as well as to their colleagues and the people to whom the findings will be presented (Patton & Cochran, 2002). A starting point in considering ethical concerns is the four principles of Patton and Cochran (2002), namely autonomy (respecting the rights of the individual), beneficence (doing good), non-maleficence (not doing harm), and justice (particularly equity).

The present researcher is a registered student at the University of Pretoria, and the research was carried out as part of her studies. Research intended for publication in journals might require proper ethical evaluation of the anticipated project before the

data-collection process starts. If a formal review is not compulsory, it is still good practice to give the protocol to a supervisor, in order to obtain feedback on potential ethical issues (Patton & Cochran, 2002).

The general standards of handling documentary data are similar to principles used in other areas of social research. While data should always be handled in a scientific manner, every source entails a different approach (Mogalakwe, 2006). Scott (1999, p. 2) formulated quality control criteria for handling documentary sources; these are: “authenticity, credibility, representativeness and meaning.” Before commencing with any qualitative research study, it is vital to reflect on all ethical implications. Qualitative approaches, by nature, seek to provoke detailed views of specific subjects, and regularly allow participants time and space to reveal sensitive areas of their lives. As mentioned in the discussion on the advantages of the research design used in the present study, document analysis avoids sensitivity issues, as it only utilised the contents of documents.

2.9 LIMITATIONS OF THE STUDY

Delimitations can be viewed as the boundaries or restrictions that exist within the study, in other words, the specific limitations. These boundaries limit the scope of the study, and usually arise from the specific research method used. Unfortunately, as with any other qualitative method, the document analysis method has flaws and potential pitfalls. According to Bowen (2009), documents might provide insufficient detail, as they are usually produced for a purpose other than research. They have low retrievability, in other words, the physical documents may not always be readily available. Selecting documents can be subject to bias when the collection is incomplete (biased selectivity). However, given its efficacy and cost-effectiveness, the advantages of this method outweigh these limitations.

Currently, limited information is available on IFAs signed after 2008; the reason for this is still unclear. With regard to current information and data on IFAs concluded in South Africa, not much information is readily available, since only two of these agreements were signed, before 2007. These limitations could not be controlled,

and restricted the methodology and conclusions of the present study. However, although these limitations were unavoidable, the researcher was still able to gather sufficient data to complete the research.

2.10 CONCLUDING REMARKS

This research process was executed by formulating the research problem, developing research questions, setting out the purpose and main objectives of the study, reviewing related literature, choosing an appropriate methodology, and gathering all the data using two qualitative methods, which were then analysed in order to draw meaningful conclusions. The researcher analysed and made sense of the data in order to answer the research questions, guided by specific objectives set out to facilitate the research process.

A qualitative approach was used to reach the overall aim and objectives of the study, as it is characterised by its ability to provide a deeper understanding of the phenomenon being investigated. The present study followed an inductive research design, and, as Radwan (2009) noted, the inductive approach allowed for more explanation of what was being studied. Data from various sources were explored and collected, and the researcher made use of two qualitative research methods (a literature review and document analysis) to best answer the question of whether IFAs form part of a transnational labour relations system. The data obtained in the study were analysed using the content analysis method. This chapter also provided a discussion on considerations of validity, reliability, and triangulation.

CHAPTER 3

CONCEPTUALISING TRANSNATIONAL LABOUR RELATIONS

| | | |
|-------|--|----|
| 3.1 | GLOBALISATION AND MIGRATION..... | 45 |
| 3.1.1 | Migration..... | 47 |
| 3.2 | TRANSNATIONALISATION..... | 51 |
| 3.3 | THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS..... | 53 |
| 3.3.1 | What are Labour Relations?..... | 53 |
| 3.3.2 | Transnational Labour Relations..... | 54 |
| 3.4 | UNIONS AS A TRANSNATIONAL ACTOR..... | 56 |
| 3.5 | LABOUR REGULATION IN THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS | 58 |
| 3.6 | CONCLUDING REMARKS..... | 61 |

3.1 GLOBALISATION AND MIGRATION

This section will indicate how globalisation changed, not only the world of international trade, but also the world of work. For this study it can be said that globalisation is the 'place' where it all started. Broad international relations approaches define globalisation as a structural alteration, characterised by the transnationalisation of production and economics that moves beyond the international state system (Bieler, 2005).

According to Wills (1998, p. 114), "globalisation is more accurately a process of yielding increased power to the multinational corporations." Economic globalisation exposes workers, together with their employment and remuneration, to the changing environment of the global economy and international competition, while allowing them to be more geographically and regionally mobile (Deacon, De Lombaerde, Macovei, & Schröder, 2011). From the viewpoint of neo-realist international relations theory, globalisation can be seen as nothing more than a radical increase in cross-border flows of trade and finance (Bieler, 2005).

There is indeed a strong and questionable debate on the limits of what constitutes globalisation (Taylor, 1999). However, in their reaction to modern trends, transnational labour organisations have tended to regard globalisation as intimidating and a threat, more than a challenge. Munck (2010) is of opinion that, because of globalisation and labour market flexibility, the ILO began to lose track. Lillie and Lucio (2012) argued that we should have a mission of seeking a moral and social basis for the regulation of globalisation without an international platform, partly because global transnational commercial, scholastic, and policy views have been about opposing it. This mission emerged as we began to see that globalisation is about difference, rivalry, whipsawing, and control. Stewart (2010, p. 534) postulated that not even European social democracies "could hold back the tide of globalisation."

The belief that employees would organise across national boundaries as a response to globalisation has not been very obvious in industrial relations theories (Greer & Hauptmeier, 2008). In Taylor's (1999, p. 2) research, he came across the following

statement regarding globalisation: “stopping globalisation is both unrealistic and undesirable,” and suggested that the question we should ask is: “Can we create the international policies and institutions to manage the process of globalisation in the service of the needs and aspirations of people?”

Since the year 2000, we have seen a clear acknowledgment by the transnational trade union movement that globalisation is a “new paradigm which demands new strategies, tactics and organisational modalities” (Munck, 2010, p. 219). According to Lillie and Lucio (2012), there is, without doubt, a shift in production, but globalisation has changed more than just the places where things are made. Globalisation poses a number of challenges to national socio-economic and labour policies, because the limitation of national jurisdiction and policy spaces is ever more problematic in an age of global economic dynamics (Deacon et al., 2011).

Some researchers highlighted the formation of a European system of industrial relations as an attempt to control employment issues across borders and to respond to the social pressures that the progression of European economic integration put on workers (Pulignano, 2006). According to Munck (2010), there is a possibility that we are now at the end of the beginning of a new era, where the workforce and their organisations will start impacting on the recently developed global order they have helped to generate through their labour. Advocates of globalisation appear to be united in their assessment of globalisation’s impact on labour (Wills, 1998). Deacon et al. (2011) suggested, but not necessarily fully demonstrated, that globalisation has ‘wrinkled’ labour standards.

Munck (2010) noted that there have been quite a number of logical responses to the challenges of globalisation. Some individuals and instances believe that globalisation is a cruel juggernaut destroying everything that crosses its way, and that it cannot be controlled (Taylor, 1999). However, Wills (1998) and Munck (2010, p. 220) stated that “globalisation has opened up as many doors as it has closed for labour.” Without a doubt, globalisation signalled the end of doing business in a ‘normal’ manner, and it has generated an entire range of ground-breaking responses and a gradually increasing flow of critical analysis (Munck, 2010).

Flexibility might be a key concept, as there is no single best way for labour to respond to globalisation Munck (2010). The International Confederation of Free Trade Unions declared in 1997 that globalisation posed “the greatest challenge for unions in the twenty-first century” (Munck, 2010, p. 219). However, as stated by Munck, the labour movement was able to recreate and invent itself to take on the difficult challenges of globalisation. The role of trade unions is discussed later in this paper.

Current experiences have shown that, in some situations, the changing world economy poses innovative opportunities for labour to organise across national boundaries (Wills, 1998). Cumbers, Nativel, and Routledge (2008) agree and stated that globalisation offers innovative spaces of opportunity and prospects for unions to organise transnationally. Globalisation has granted trade unions across national border a chance to participate in the management of change, by making sure their transnational agenda of core standards of workers’ rights is not neglected amidst other pressures (Taylor, 1999). According to Wills (1998), there are some in the trade union movement that argue that political and fiscal situations are ready for a rejuvenation of labour transnationalism, since the wearing down of national boundaries allows employees to make connections transversely.

Globalisation has generated a “potentially stronger workers’ movement than ever existed before” (Munck, 2010, p. 229). Taylor (1999, p. 14) argued that, “as national boundaries become blurred, rules established at national level, often after years of social struggle, are becoming as irrelevant as they are ineffective.” In this regard, the global right of freedom of association set by the ILO has been critical to all employees. Munck (2010) mentioned that a national labour system has become outdated due to globalisation, as trade unions are presently transforming on a local, national, regional, and transnational level.

3.1.1 Migration

Migration in this study is regarded as the free movement of labour across national borders, and has many implications on the economy, unions, and other labour structures. Munck (2010) is of opinion that we are moving from a national to a

transnational domain, but labour migration poses some challenges. However, according to Greer, Ciupijus, and Lillie (2013), not all migrants are operating in transnational labour markets; therefore, there is no need for a transnational response. MNCs were the primary driving force behind mobility in the early years, but, since then, finance, people, and ideas have joined the world of flow. However, none of these is what Munck called ‘footloose and fancy free’, especially not labour (Munck, 2010).

According to Rodriguez and Mearns (2012), the last ten years have seen a major increase in transnational migration and the mobility of workers. They described today’s life as an ‘era of mobilities’ that has important implications for the demand and supply of labour. They argued that this can be attributed to globalisation, which has led to a renewed interest in the study of migration. Globalisation has a persistent impact on the articulation and perpetuation of organised processes of closure, entrapment, and repression, which are triggered by migration and augmented by the dynamics of employment relations (Rodriguez & Mearns, 2012).

Migration is the key element in destabilising labour in the era of globalisation (Munck, n.d.). According to Pyle (2006), transnational labour migration is different from the international movement of goods, services of capital, and there are more limitations on the flow of individuals’ transnationally than on goods, services, or capital. However, Munck (2010, p. 223) cited Milton Friedman (a neo-liberal guru), who said, “About migration, the least said the better.” This is reasonable as there appear to be no valid reason why capital, investment, and ideas can flow freely across national borders, but labour cannot (Munck, 2010).

Munck (n.d.) defined migration as the effortless movement of people, and stated that mobility is the keyword, motif and central characteristic of this era of globalisation (Munck, 2010). According to Rodriguez and Mearns (2012), migration and mobility are essential to the changing nature of the trade of goods, capital, and labour across national borders, and this process is assisted by globalisation. These dynamics have influenced the way labour relations are controlled, expressed, and experienced in local and global workplaces, which appear to show the multidimensional impact of globalisation on labour relations. Global complexity is the most important feature of

development, and globalisation has set the stage for global labour problems (Munck, 2010).

According to Munck (n.d.), migration can be seen as a threat and an opportunity by labour and unions. Sufficient governance of transnational union networks helps to overcome organisational struggles posed by globalisation, and strengthens labour's position in global governance (Helfen & Fichter, 2011). Rodriguez and Mearns (2012, p. 585) emphasised the readiness of migrant workers to join trade unions in the countries where they are employed, and pointed out the "fundamental role unions play in supporting migrant workers and building bridges between them and the indigenous." However, as stated by Rodriguez and Mearns, "internal politics of trade unions play a role in the perceived openness of unions to migrant worker membership" (Rodriguez & Mearns, 2012, p. 586).

According to Deacon et al. (2011), the European Union (EU) is undoubtedly the most well-known and proficient example of the structure of free movement of people and facilitation of labour migration among the regional integration processes worldwide. Nevertheless, the thought of facilitating labour migration is, however, not restricted only to the EU but has been developed in other parts of the world as well. Horvath (2012) mentioned that, since the right to re-enter a home country is no longer an issue, some migrant workers now choose to work in one country while remaining a citizen of another.

According to Pyle (2006), the reason for migrating to another country for employment is that these workers secure jobs in other countries that pay more than the ones in their home countries. Rodriguez and Mearns (2012, p. 585) agreed, but stated that, although it is believed that transnational migrants are headed for a better place seeking improvement, the degree of these improvements must be reconsidered, because, although the level of pay may be better than in their home country, employment generally "remains precarious for the standards of the host country."

Rodriguez and Mearns (2012) also mentioned that several legal and illegal migrants are working under precarious working circumstances that are not easy to manage or regulate, and some migrants even believe they are not protected against unfair

labour practices. *Precarious work*, according to Munck (n.d., p. 10), is “a more recent term denoting the uncertain, difficult and unstable forms of labour to which immigrants are subjected.” If we go with the belief that those workers are migrating towards a ‘better place’, why then are employers going along? Employers use migration to challenge collective bargaining and employment regulation, and particularly use subcontracting and ‘posting’ to protect themselves from legal accountability, while separating migrants from the monetary and social norms of the host population, giving them a particularly precarious status (Lillie & Greer, 2007).

According to Munck (n.d.), national borders are, for most of the world’s workers, a ‘prison with open gates.’ in the so-called era of globalisation. There is no clear way to align the interests of local and migrant workers. Therefore, globalisation remains an academic and practical challenge for labour relations. Faced with globalisation, employers and organisations will not automatically seek to deregulate labour relations and condense union power, but will rather attempt to reinforce their national basis of competitiveness (Lillie & Greer, 2007).

Liu (2004, p. 501) argued that globalisation does not guide us to a “borderless world” where money, information, and other resources travel liberally around the globe, since some of these transfers are costly and complex. On the other hand, Rodriguez and Mearns (2012) stated that the ‘borderless world’ can imply that workers benefit from the opportunities available in other countries, and that workers only have to migrate to those opportunities. However, as cited by Rodriguez and Mearns, labour market stringency and the realities of disparities, mobility constraints, and deskilling are reported as prevalent in migrant workers’ experiences. In this regard, globalisation has undermined the status quo between capital and labour, and, for both, migration has been essential to reshaping labour relations.

3.2 TRANSNATIONALISATION

The word *transnationalisation* is rather new, and is not recognised by some dictionaries; yet, it can be seen as a synonym for transnationalism. Kädtler and Sperling (n.d.) mentioned that transnationalisation must be seen as an escalating, deepening process through which innovative social practices and systems of

symbols and objects come about through increasing international movement of goods, information, and people. As a result of the transnationalisation of production and funding in times of global restructuring, new transnational forces of capital and labour have surfaced as important actors (Bieler, 2005). While capitalism was primarily national in the so-called Golden Era, transnationalisation of economic, political, and social relations led to a new era (Munck, 2010).

The term *transnationalisation* refers to the shared educational, political, and economic associations and interactions between people and institutions, which are so interrelated that these form 'webs of relationships' (Kädtler & Sperling, n.d.). According to Horvath (2012, p. 1742), labour markets are regarded as transnational if they comprise "occupations and activities that require regular and sustained social contacts over time across national borders for their implementation." Parreñas (2005) defined transnational communication as the flow of information, ideas, and emotions.

According to Bieler (2005), there is growing literature on the role that transnational capital plays, but that we must start to focus on the potential function of labour as a transnational actor. The transnationalisation of labour markets in the production industry is an example of this, and is particularly advanced (Lillie & Greer, 2007). However, according to Murray (2002), there is presently no labour law able to fully take into account transnational firms, but they recognised numerous developing areas in which labour law, to some degree, is competent to rise above national boundaries and gauge the activities of transnational firms. This is discussed in greater detail in the section on transnational labour regulation.

According to Dickmann, Müller-Camen, and Kelliher (2008), MNCs need to integrate various human resource principles and policies to create cohesion in their operations. In other words, as Gennard (2008) stated, an important action in becoming a transnational company is to execute transnational human resource management (THRM). Nevertheless, Dickmann et al. (2008) pointed out that organisations face many challenges in implementing and practising THRM. MNCs are thought to be integrated and differentiated at the same time. Well-developed communication and management processes are, for that reason, necessary, to

identify where THRM standardisation is possible and where local awareness is necessary (Dickmann et al., 2008).

Decisions taken in one area of the globe could have a problematic effect on employment relations elsewhere in the world. As Lillie and Greer (2007, p. 574) argued, “Transnational relationships of actors have become so intertwined that it is difficult to understand the strategies of actors within one country without reference to events and actors in other countries.” Lillie and Lucio (2012) mentioned that transnational capital plays national environments off against each other, but, at the same time, attempts to create a genuinely global business environment. Though decisions about employment affairs are generally made locally, they might also be applicable transnationally (Murray, 2002).

According to De Jonge (2011), the occurrence of MNCs is not a new concept, and the constantly increasing levels of power and pressure on MNCs in the globalised world are extraordinary. The rapid growth of MNCs has been accompanied by increasing concern about their effects on employment structures, security, and conditions in host countries (Marginsons, 1992). As workers shift from one national setting to another, they draw on rules and resources from transnational contexts, which asked for new configurations of interest and balances of power. This, however, is difficult for “nationally bounded institutional analysis to forecast and understand” (Lillie & Greer, 2007, p. 567). Dickmann et al. (2008) also mentioned that management and academics oversimplify the process of transnationalism, as organisations have to manage difficult environments and actors who have their own security at heart and their own power bases.

When companies operate across borders, there is a need to link parts of the company to parts that operate in other countries, which might constitute changes in production or the adoption of new technology. Therefore, the changes in one part of the company can have major implications for employment of people elsewhere in the company. As a result, companies may need to develop a transnational approach to employment matters (Marginsons, 1992).

3.3 THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS

Labour transnationalism has recently come onto its own as a central topic in labour relations research (Lillie & Lucio, 2012), and is a well-researched topic (Greer & Hauptmeier, 2008). Investigating labour transnationalism is “becoming more important as MNCs grows in importance” (Greer & Hauptmeier, 2008, p. 77). Transnationalism can be assisted by the fact that existing national-level union power is eroding, or may be subjected to the tendency of still-dominant unions to protect their jurisdictions by resisting the movement of functions to the transnational level (Greer et al., 2013). However, before discussing the topic of transnational labour relations in greater detail, it is important to look at what labour relations are.

3.3.1 *What are labour relations?*

Hyman (2001, p. 285) defined labour relations as the “regulation of work and employment,” which involves different forms of collective regulation that refract and transform the merely monetary dynamics of the employment relationship. “The nature and quality of labour relations determine the living and working conditions of most working people and thus of society as a whole” (Kohl & Platzer, 2003, p.12). Developing proficient labour relations is as much an intrinsic part of a system change as it is a passage to successful transformation, as these relations are a primary component of civil society and provide indispensable guidance for the resolution of social conflict, creating harmonies, economic modernisation, and the stabilisation of social equality (Kohl & Platzer, 2003). According to Helfen and Fichter (2011), there is a call for broadening the horizon of the field of labour relations by connecting it to different theories from the economic and social sciences.

At first, labour relations emerged on a confined or sectoral basis, but it became consolidated within a national institutional structure during the twentieth century. This was seen as a source of flexibility and strength, but has progressively become regarded as a limitation (Hyman, 2001). According to Lillie and Lucio (2012), it is important that national labour relations systems must not be understood in isolation; however, a framework or structure for understanding how the global labour relations framework is growing and developing has not been established.

3.3.2 Transnational labour relations

The globalisation of markets and firms has transformed labour relations (Greer & Hauptmeier, 2008). According to Lillie and Lucio (2012), it is still not clear what exactly *labour transnationalism* means, who the people involved are, and what sort of analytical frameworks could be applied to understand their activities. However, Greer and Hauptmeier (2008, p. 77) defined *labour transnationalism* as “the spatial extension of trade unionism through the intensification of co-operation between trade unionists across countries using transnational tools and structures.”

According to Greer and Hauptmeier (2008), political entrepreneurs play a vital role in the development of labour transnationalism. In an article by Greer and Hauptmeier (2008), *political entrepreneur* refers to the discovery of transnational strategies by single unionists and their organisations. These so called political entrepreneurs have the vision to look at transnational strategies and the leadership skills to prove their constituency. According to Greer et al. (2013, p. 7), “the labour transnationalism literature treats union organizing as just one of many reasons why unions would work across national boundaries.”

In the view of Helfen and Fichter (2011, p. 4), “academic research is only beginning to deal with what we would define as an emerging arena of transnational labour relations.” A new labour relations group has emerged at a European level whose main purpose is to place worker representatives in touch with each other (Wills, 1998). According to Horvath (2012), the rise of the European Union was a landmark development that involved the globalisation of capital and trade flow, and resulted in the establishment of a new transnational regulations system, together with the reformation of general economies and welfare states. It is on this basis that different forms of transnational labour relations have emerged.

Helfen and Fichter (2013) argued that transnational labour relations are still in an emerging, formative phase, considering institutionalisation, projecting a very fragmented, diverse, and mixed picture of development. As Hyman (2001) mentioned, the possibilities and prospects for the establishment of a transnational European labour relations system have been strongly debated for more than a

decade. Lillie and Lucio (2012) identified two dominant trends in transnational labour relations research. There are the optimists who show how it can work in specific situations, and then there are pessimists who stress labour's vulnerability against management-devised competitive frameworks.

According to Helfen and Fichter (2011), a reconceptualisation of the discussion on transnational labour relations is necessary. The call for better transnational labour relations requires trade unions to reassert their main objectives in a contemporary language that resonates with the flexible labour markets and workplaces (Taylor, 1999). Regarding the formative framework of transnational labour relations, the "arena concept offers a more viable starting point for investigating the interaction between GPNs [global production networks] and global union federations than notions of a global labour regime" (Helfen & Fichter, 2011, p. 4).

There are obvious obstacles that stand in the way the development of a realistic and permanent transnational labour relations system, and transnational trade union federations must decide on strategies to confront the countless challenges arising from increasing globalisation (Taylor, 1999). According to Marginsons (1992), transnationals face many problems in managing scale, diversity, and space, but these challenges can be resolved through a company's internal organisational structure. Where transnationals are geographically diversified and similar products or services are produced in various locations, common labour relations struggles may arise (Marginsons, 1992).

Munck (n.d.) provided a more positive but still realistic view by stating that labour must take advantage of the transnationalisation process and be fit to organise on a local, national, regional, and global scale. According to Taylor (1999), the development of transnational labour relations is of great importance, especially if organised labour is to have some hope of mobilising and enhancing its power through international agreements.

3.4 TRADE UNIONS AS A TRANSNATIONAL ACTOR

From the 1990s onwards, international unions have been pressured to develop new reactions to the realities of globalisation (Helfen & Fichter, 2013). Helfen and Fichter (2011) agrees when stating that there is an increasing interest in the movement of trade unions, due to globalisation and the latest technology creating virtual spaces. Globalisation challenges labour relations at a national level, as it impacts national collective bargaining systems as well as the dynamics of solidarity (Rodriguez & Mearns, 2012). The appearance of the EU stimulated a renewed interest in transnational labour relations among trade unions (Taylor, 1999).

According to Munck (n.d.), trade unions are going through a time of crisis during transnationalisation as globalisation hacked their natural power base. Flexibility is now of paramount importance. Trade unions have attempted to create transnational strategies in reaction to the diverse consequences of globalisation (Taylor, 1999). Employers and unions are now operating on a terrain characterised by transnational labour mobility and changing opportunities (Lillie & Greer, 2007). Unions are reacting to the liberal and flexible nature of their transnational employers and global production strategies (Lillie & Lucio, 2008). Taylor (1999) argued that, for the most part, co-operation between unions across borders has proven to be tricky and generally fragile, and, according to Helfen and Fichter (2011), many existing unions are still either unwilling or unable to co-operate transnationally.

If organisations want to regain control over labour markets, they would require “a more systematic and structured union organisations of transnational scope” (Lillie & Lucio, 2012, p. 74). It is argued that, unlike companies, “unions almost never operate in more than one country, or merge across national boundaries,” and most union activities take place on an informal network basis. However, since the 1990s, organisations have drawn on worker representatives to participate in transnational union activities (Helfen & Fichter, 2011, p.80). According to Greer and Hauptmeier (2008, p. 78), unions have begun to “consolidate themselves by accepting the rules of transnational labour relations system” during the first half of the twentieth century. Companies following a European approach can decide whether they want to engage

with unions at transnational level, and the unions themselves may pressure the companies to do so (Marginsons, 1992).

Transnational unionism consists of various relationships between the national players who compete with one another, each with an own vision of the global nature of international production structures (Lillie & Lucio, 2008). According to Helfen and Fichter (2011, p. 79), the biggest power resource of labour unions is “the ability to regulate competition between workers, through mobilizing the active participation of the workers themselves.” European strategies are increasingly important where transnational unions have the goal of enforcing nationally collective norms (Lillie & Greer, 2007).

According to Greer and Hauptmeier (2008), trade unionists secure labour rights and standards as a goal when doing international work. Employers usually attempt to avoid labour relations rules, while most unions attempt to reposition labour relations in a more transnational way (Lillie & Greer, 2007). Gennard (2008) also mentioned that employers have uttered opposition to the EU-wide collective agreements, while trade unions promote collective bargaining within these companies. Labour standards and practices are wearing away as organisations develop into more integrated contexts, with no clear-cut boundaries for the firm or industry (Helfen & Fichter, 2011).

Trade unions had to move away from traditional operating sphere when they offered to engage with migrant workers, who are not always easy to work with, as they may speak different languages and might be suspicious of unions (Munck, n.d.). The labour movement can benefit from encouraging the development of transnational working class awareness (Helfen & Fichter, 2011). Munck (n.d., p. 18) provided the example of trade unions being faced with the choice of “becoming like an insurance company providing benefits for their existing members or they may ‘return to their roots’ and organise new workers and campaign vigorously around broad labour issues in a spirit of social transformation.”

According to Marginsons (1992, p. 530), the “discussion of the prospects for transnational contact between management and trade unions has remained general

in character.” As cited by Marginsons, the ability of trade unions to organise across border will predict if management and trade unions can establish European-level contact, although employers must see some benefit in engaging with representatives at this level.

An organisation’s management style influences the transnational relations between trade unions and management (Marginsons, 1992). Marginsons stated that a company’s internal management structure might facilitate the development of a transnational management-union relationship, or it may work against it. If the structure facilitates the development, it is assumed that the company has an professional interest in developing a global approach to labour relations across borders. Usually, trade unions will only apply pressure for contact with management at European level if they are organising effectively across national boundaries within the same enterprise (Marginsons, 1992).

3.5 LABOUR REGULATION IN THE EMERGING ARENA OF TRANSNATIONAL LABOUR RELATIONS

Transnational labour regulation is, according to Kolben (2011), the field of law concerning the ruling of work on a transnational basis across jurisdictions. It is a wide field that is composed of many regulatory systems that impact the transnational environment, including international law, labour law, and trade law. Therefore, Kolben (2011) described transnational labour regulation as “a spider’s web,” as transnational labour is regulated by different regulatory systems, which might be termed *governance*. Governance must follow an ‘integrative approach’ when regulating transnational labour (Kolben, 2011).

De Jonge (2011) pointed out that, aside from a country’s domestic laws, there is no legal obligation in terms of human rights that apply to organisations functioning transnationally. International law enforces no direct legal obligations on MNCs; however, international law continually evolves and adapts to the dynamic global realities. In the mid-twentieth century, MNCs fell under the jurisdiction of international law, and became subject to the duties prescribed in international law (de Jonge, 2011).

De Jonge (2011) noted that MNCs are starting to realise the limits of the state's duty to protect them and their employees. MNCs, themselves, have an obligation to respect human rights and labour rights as it is not just an issue for governments. When discussing the role of MNCs, it is important to realise that there is a tenuous relationship between transnational labour relations systems, the unions, and the state (Lillie & Lucio, 2012). The next section considers MNCs and how transnational union networks, IFAs, and management are linked in the regulation of transnational labour relations.

Multinational Corporations can be seen as an important vehicle for transferring capital and other production functions, as well as technical and managerial knowledge, across national borders (Liu, 2004). MNCs have the power to do great good; however, they can also cause great harm. MNCs can provide opportunities for the local economy in countries where they operate, but might also cause inequalities when there are no standards for labour relations and labour rights (de Jonge, 2011). Pulignano (2010) stated that transnational labour relations structures were first established in 1994, in MNCs operating in Europe. Gennard (2008) argued that implementing THRM is a critical step in becoming a successful international company. One of the most important functions of THRM concerns labour relations, together with staffing, selection, compensation, training, and development (Liu, 2004).

Helfen and Fichter (2011, p. 5) defined a transnational union network (TUN) in the transnational arena of labour relations as “an inter-organizational network among three or more labour organizations from different countries and institutional levels spun around an economic network structure.” Two years later, Helfen and Fichter adapted the definition of a TUN by defining it as a system consisting of a minimum of three collective actors, including “global union frameworks (GUFs), their national affiliates, work councils, and, possibly, non-union supporters” (Helfen & Fichter, 2013, p. 3).

According to Helfen and Fichter (2011), trade unions need to find a way to deal with the issue of transnational solidarity. TUNs are transnational because they operate

beyond regional districts and national borders, in order to encourage organised labour in different businesses to interact (Helfen & Fichter, 2013). Helfen and Fichter (2011, p. 1) argued that TUNs formed by the GUFs around global production networks (GPNs) “might contribute to the enforcement of global labour standards.” Trade unions can question violations of labour standards and poor working conditions if they are fully functional (Helfen & Fichter, 2013). The advancement of transnational labour relations is dependent on the transformative capability of TUNs (Helfen & Fichter, 2011).

When looking from a political and economic point of view, the development of GPNs has transnationalised the arena of labour relations, introducing new conflicts of interests. GUFs planted the idea of IFAs, which turned into a strategy to improve working conditions by establishing more trade unions, in order to achieve a shared voice for employees (Helfen & Fichter, 2011). GUFs acknowledged the important impact that IFAs have on MNCs by setting a framework that extends across borders, recognising the norms, principles, and procedures of transnational labour relations (Helfen & Fichter, 2011).

An IFA creates the foundation for transnational labour relations by defining the content, choosing the actors, determining practices, and setting the boundaries for the interaction between labour and management (Helfen & Fichter, 2013). IFA strategies are still in the development stage, but are progressing constantly. The efforts made by countries and work councils to implement IFAs clearly differ from one agreement to another (Helfen & Fichter, 2013). Greer and Hauptmeier (2008) argued that the structure of labour transnationalism may vary from organisation to organisation, and is dependent on the company structure pertaining to the interaction between management and labour.

Organisational structures and strategies are found to be important in explaining different patterns of labour relations within organisations (Greer & Hauptmeier, 2008). According to Marginsons (1992, p. 538), there are strategies available to management to standardise their labour relations arrangements across different settings, which show management how to adopt a standardized approach to handling labour relations. Greer and Hauptmeier (2008) pointed out two types of

transnational management strategies, namely production strategies and labour relations strategies, which are fundamental in forming labour transnationalism.

When organisations are functioning across borders, in other words transnational companies, management is more likely to develop an inclusive approach to managing its workforce, thus, a more transnational way of handling labour relations (Greer & Hauptmeier, 2008). During acquisitions, different management styles are absorbed, including different styles of managing labour relations. Mergers and acquisitions lead to the breaking down of traditions, which might be a difficult and complex process. Adopting a transnational approach to labour relations might ease the process (Greer & Hauptmeier, 2008; Marginsons, 1992). However, Marginsons (1992) pointed out that, where businesses are operating in different locations, producing unrelated goods and services, the need for a universal management approach is not that high, and developing transnational policies relating to labour relations might even prove to have a negative effect on employees and, thus, production.

In other words, management can follow a centralised or a decentralised approach when managing labour relations (Greer & Hauptmeier, 2008), but organisations will not benefit from developing a transnational approach to labour relations management if there are not strong links between the various activities performed or services delivered in the different countries (Marginsons, 1992). Moving from a traditional or regional approach to a transnational approach in handling labour relations might depend on the organisational structure and management style, but it does not guarantee success (Marginsons, 1992).

3.6 CONCLUDING REMARKS

This review of the extant literature showed that there is a call to look beyond national borders in managing an organisation, and that the concept *transnational* can be extrapolated to labour relations. The foundations or origins of transnationalism can be found in globalisation and migration. Not even European social democracies “could hold back the tide of globalisation” (Stewart, 2010, p. 534), and globalisation relates to more than just the places where things are made (Lillie & Lucio, 2012).

This section conceptualised the era of globalisation, and focused on the implications that globalisation have on labour mentioning that flexibility is of paramount importance, as there is no single best way to manage labour in the context of globalisation (Munck, 2010). However, the changing world economy poses some innovative opportunities for labour to organise across national boundaries (Wills, 1998). When taking a look at the free movement of labour across national borders it is said that “A specter haunts the world and it is the specter of migration” (Munck, n.d., p. 8). MNCs were the primary movers of mobility in the early years, but, since then, finance, people, and ideas have joined the world of flow (Munck, 2010). There appears to be no valid reason why capital, investment, and ideas can flow freely across national borders, but labour cannot.

When conceptualising the term *transnationalisation* there is a call for broadening the horizon in the field of labour relations (Helfen & Fichter, 2011). At first, labour relations emerged on a confined or sectoral basis, but it became consolidated within a national institutional structure during the twentieth century (Hyman, 2001). It is important that national labour relations systems are not understood in isolation, yet, there is still a need for a framework or structure for understanding how the global labour relations framework is growing and developing (Lillie & Lucio, 2012). When companies operate across borders, there is a need to link different parts of the company across borders, which might constitute changes in production or the adoption of new technology; therefore, changes in one part of the company can have major implications for employment of people elsewhere in the company. As a result, companies may need to develop a transnational approach to employment matters (Marginsons, 1992).

The globalisation of markets and organisations has transformed labour relations (Greer & Hauptmeier, 2008). According to Lillie and Lucio (2012), it is still not clear what exactly *labour transnationalism* means, who the people involved are, and what sort of analytical frameworks might be applied to understand their activities. The establishment of the EU was a landmark development that involved the globalisation of capital and trade flow, which resulted in the establishment of a new transnational regulations system, and it is on this basis that different forms of transnational labour

relations emerged (Horvath, 2012). There are obstacles that stand in the way of the development of a widely accepted transnational labour relations system, and transnational trade union federations must decide on strategies to confront the countless challenges arising from increasing globalisation (Taylor, 1999). Managing scale, diversity, and space is one of the problems transnationals might face, but, through the appropriate internal organisational structures, these challenges can be resolved (Marginsons, 1992).

Labour must take advantage of the transnationalisation process and be fit to organise on a local, national, regional, and global scale (Munck, n.d.). According to Taylor (1999), the development of transnational labour relations is of great importance, especially if organised labour is to have some hope of mobilising and enhancing its power through international agreements. In order to understand how trade unions act as transnational players it must be noticed that there is an increasing interest in the movement of trade unions due to globalisation and the latest technology creating virtual spaces (Helfen & Fichter, 2011). Globalisation challenges labour relations at a national level, as it impacts national collective bargaining systems, as well as the dynamics of solidarity (Rodriguez & Mearns, 2012). Furthermore, the establishment of the EU stimulated a renewed interest in transnational labour relations among trade unions (Taylor, 1999).

Unlike companies, “unions almost never operate in more than one country, or merge across national boundaries,” and most union activities take place on an informal network basis. However, since the 1990s, organisations have allowed worker representatives to participate in transnational union activities (Helfen & Fichter, 2011, p. 80). According to Greer and Hauptmeier (2008, p. 78), unions have begun to “consolidate themselves by accepting the rules of transnational labour relations system” during the first half of the twentieth century.

Considering the elements of labour regulation in the emerging arena of transnational labour relations, labour regulation has been identified as a wide field that is composed of many regulatory systems that impact the transnational environment including, international law, labour law, and trade law. Therefore, it can be described as a spider’s web, which requires an integrative approach to regulating transnational

labour (Kolben, 2011). During the twentieth century, MNCs fell under the jurisdiction of international law, and became obliged to perform the duties demanded by international law (de Jonge, 2011). MNCs are an important vehicle for transferring capital and other production functions, as well as technical and managerial knowledge, across national borders (Liu, 2004). They have the power to do great good and great harm (de Jonge, 2011). Trade unions need to find a way to deal with the issue of transnational solidarity (Helfen & Fichter, 2011), but the advancement of transnational labour relations is dependent on the transformative capability of TUNs (Helfen & Fichter, 2011).

CHAPTER 4

THE INTERNATIONAL LABOUR ORGANISATION

| | | |
|-------|---|----|
| 4.1 | THE INTERNATIONAL LABOUR ORGANIZATION..... | 66 |
| 4.2 | THE ROLE OF THE ILO..... | 68 |
| 4.3 | CONVENTIONS OF THE ILO..... | 69 |
| 4.3.1 | Convention 87 and 98 of the ILO..... | 70 |
| 4.4 | INTERNATIONAL FRAMEWORK AGREEMENTS AND THE ILO..... | 72 |
| 4.5 | TRANSNATIONAL COLLECTIVE BARGAINING AND EMPLOYMENT CONDITIONS..... | 74 |
| 4.6 | CONCLUDING REMARKS..... | 77 |

4.1 THE INTERNATIONAL LABOUR ORGANISATION

We are reminded on a daily basis that for everyone work is a describing feature of human existence. It is a way of supporting life, and ensures that basic needs are met, and, in addition, it is also a means by which individuals confirm their own identity (Hughes, 2005). Working and having a strong work identity is important to an individual, the well-being of families, and the general stability of societies. Nevertheless, of everything the most interesting fact remains that even though the world of work is constantly changing as a result of globalisation, the meaning of work in people's lives has not changed (Hughes, 2005).

Some argue that the internationalisation of production caused the exploitation of workers in developing countries, since governments permit the lowering of labour standards because of competitive pressures (Mosley & Uno, 2007; Rodríguez-Pose, 2002). However, supporters of economic globalisation claim that there is no cause for concern, as foreign direct investment and liberalised trade offer several benefits, such as “the transfer of technologies, better employment opportunities, and higher rates of economic growth” (Mosley & Uno, 2007, p. 923). With regards to these worries, the ILO maintains considerable control over member states, and its conventions have gained more prominence in recent years as internationalisation had an increasing impact on legal and economic relations (Smit, 2013).

The ILO is a United Nations (UN) agency that deals with labour issues, specifically with regard to international labour standards, social protection, and equal work opportunities (Hughes, 2005). The ILO was established in 1919 as part of the Treaty of Versailles that ended World War I, to “reflect the belief that universal and lasting peace can be accomplished only if it is based on social justice” (ILO, 2015; Standing, 2010; Hughes, 2005). The motivating factors for the development of such a structure were security, humanitarianism, and political and economic considerations (ILO, 2005).

The ILO has contributed much to the corporate world since its first days. The first International Labour Conference was held October 1919, in Washington, where six ILO conventions were adopted. These dealt with issues such as working hours,

unemployment, maternity protection, women working at night, and the minimum age of workers (ILO, 2015). At first, the ILO consisted of representatives from nine countries, namely Belgium, Cuba, Czechoslovakia, France, Italy, Japan, Poland, the United Kingdom, and the United States of America. As of July 2015, the ILO has 186 member states, including South Africa.

The ILO is headquartered in Geneva (Standing, 2010), and has a multilateral or, more specifically, tripartite governing structure that represents governments, employers, and workers (ILO, 2015; Hughes, 2005). The ILO secretariat is known as the International Labour Office, and its first director was France Albert Thomas, whose strong drive and motivation led to the adoption of 16 ILO conventions and 18 recommendations in less than two years (ILO, 2015). The director-general of the ILO, Guy Ryder, replaced Juan Somavia, who held the position from 1999 to October 2012 (ILO, 2015; Rodríguez-Pose, 2002).

The ILO has a governing body that has multiple responsibilities, including drafting the agenda of the International Labour Conference, handling the budget of the conference, selecting the director-general, requesting information from member states regarding labour issues, appointing commissions of inquiry, and overseeing the work of the International Labour Office (Standing, 2010). This governing body consists of 28 government representatives, 14 worker representatives, and 14 employer representatives — a ratio of 2:1:1 (Standing, 2010; Hughes, 2005).

The ILO organises the International Labour Conference, which is held in Geneva, in June every year. During this conference, conventions and recommendations of the ILO are arbitrated and accepted. Decisions regarding the ILO's universal policy, labour program, and budget are also discussed at this conference. Each member state has four representatives at the conference, including two government delegates, one employer delegate, and one worker delegate (ILO, 2015; Hughes, 2005). All delegates have equal voting rights, irrespective of the population of the member state they represent (Hughes, 2005).

4.2 THE ROLE OF THE ILO

The ILO focuses on decent work and justice for workers, and, in 1969, it received the Nobel Peace Prize for cultivating peace between different classes, encouraging decent work and fairness for workers, and providing practical support to developing nations (Hughes, 2005). Although it does not impose sanctions on governments, the ILO records grievances against bodies that violate international rules.

The ILO dedicates its attention towards the promotion of social justice and globally accepted human- and labour rights, with the belief that labour peace is critical to prosperity (ILO, 2015). Nowadays, the ILO assists in the advancement of decent work (Rodríguez-Pose, 2002; Weiss, 2013). The main objectives of the ILO are to “promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues” (ILO, 2015; Weiss, 2013). The ILO (2015) stated that it has four strategic objectives, namely to:

1. promote and realise standards and fundamental principles and rights at work;
2. create greater opportunities for women and men to obtain decent employment and income;
3. enhance the coverage and effectiveness of social protection for all; and
4. strengthen tripartism and social dialogue.

Hughes (2005) added and pointed out the integrative activities the ILO utilises to achieve these above mentioned objectives. Firstly, the ILO agenda is shaped to focus on decent work and gender equality; secondly, the expansion of knowledge through the International Institute for Labour Studies and International Training Centre of the ILO (in Turin); and, lastly, on improving awareness of ILO perspectives with regard to external relations and partnerships, as well as communication (Hughes, 2005; Rodríguez-Pose, 2002).

4.3 CONVENTIONS OF THE ILO

The ILO adopted various conventions that can be seen as international labour standards, although these have not been ratified. Once a convention is approved, it constitutes a legal obligation that member states have to adhere to and apply (Hughes, 2005). In July 2011, the ILO implemented 186 conventions, which are still in force today. Governments are obligated to submit detailed reports on their compliance with the conventions they have endorsed, and, each year, there are some suspected breaches of these international labour standards.

Table 2

Principles and Rights Contained in the 1998 Declaration of Fundamental Rights at Work and its Follow-up

| Fundamental Principle | Relevant Convention | Description |
|---|----------------------------------|--|
| Freedom of association and the right to collective bargaining | Convention 87 Convention 98 | Freedom of association and protection of the right to organise Right to organise and to collective bargaining |
| Elimination of all forms of forced or compulsory labour | Convention 29 Convention 105 | Forced labour Abolition of forced labour |
| Effective abolition of child labour | Convention 138 Convention 182 | Minimum age of workers Worst forms of child labour |
| Elimination of discrimination in respect to employment and occupation | Convention 100 Convention 101 | Equal remuneration Discrimination (employment and occupation) |

In 1998, at the 86th International Labour Conference, the ILO adopted the *Declaration on Fundamental Principles and Rights at Work*, which contains four central policies (see Table 2): (1) the right of workers to associate freely and bargain collectively; (2) the end of forced and compulsory labour; (3) the end of child labour;

and (4) the end of unfair discrimination among workers (Hughes, 2005; Weiss, 2013). Most member states have now accepted the ILO conventions that embody these fundamental principles.

The Southern African Development Community (SADC) adopted the Charter on Fundamental Social Rights in 2003, which strives to provide a legal framework for regional labour standards (Smit, 2013). According to Smit (2013, p. 19), this charter obligates member states to “create an enabling environment consistent with ILO core conventions, prioritise ILO core conventions, and take the necessary action to ratify and implement these standards.” However, unlike the case of ILO conventions, there is currently no self-governing supervisory body that can require companies to take responsibility for violations of this charter, and, unfortunately, companies cannot be forced to comply (Smit, 2013).

4.3.1 Conventions 87 and 98 of the ILO

For the purposes of this study, the researcher will give particular attention to Conventions 87 and 98 of the ILO. These two conventions are both seen as fundamental principles and rights at work, especially in today’s globalised and transnational world of work. Freedom of association and the right to collective bargaining requires the ability to “form freely and join trade union or similar organisations and to engage in voluntary collective bargaining leading to the implementation of collective agreements” (Hughes, 2005, p. 415). Freedom of association and the right to collective bargaining, in turn, require “a legal basis guaranteeing these rights, appropriate institutions, protection against discrimination in the exercise of these rights and accepted involvement of the parties” (Hughes, 2005, p. 415).

Freedom of Association and Protection of Right to Organise (Convention 87)

This convention, which provides for freedom of association and protection of the right to organise, came into force in July 1950, and was adopted in San Francisco at the 31st International Labour Conference, held July 1948 (ILO, 2015). It is still active today, and is seen as one of the fundamental conventions of the ILO. The

convention consists of four parts and 21 Articles (see Appendix B). Part I is concerned with freedom of association, and has ten articles, whereas Part II concerns the protection of the right to organise, and consists of only one article. The latter might be due the fact that the right to organise is also explained in another section. Part III contains miscellaneous provisions, which include two articles that integrate this convention with other provisions. The last part, Part IV, is titled *Final Provisions*, and has eight articles regarding the communication of the convention, its implementation, the ratification process, and reporting on this convention.

The Right to Organise and Collective Bargaining Convention (Convention 98)

This convention is concerned with application of the principles of the right to organise and to bargain collectively. It came into force during the 1950s (18 July 1951), and was adopted during the 32nd International Labour Conference session, held on 1 July 1949 in Geneva, Switzerland. This convention is still in force today, and, as mentioned previously, it is also considered one of the ILO's fundamental conventions. It consists of 16 articles, where Articles 1, 2, and 3 refer to the right to organise, and Articles 4, 5, and 6 concerns the right to collective bargaining. Convention 98 complements Convention 87, discussed previously.

Article 1 state that workers should be protected against discrimination in union membership. Article 2 calls for non-interference in the establishment, functioning, and administration of workers' and employers' organisation, be it with their own or each other's agents. Article 3 requires every ILO member to give effect to Articles 1 and 2 through "appropriate machinery." With regard to the right to collective bargaining, Article 4 entails that laws must promote "the full development and utilisation of machinery for voluntary negotiation" between worker organisations and employer groups, and to regulate employment "by means of collective agreements." Article 5 states that national laws and regulations can offer different laws for police and armed forces, whereas Article 6 provides exceptions to "the position of public servants engaged in the administration of the State."

Table 3

Ratification of Convention 87 and 98 in member states of SADC

| Member | C87 | C98 | Member | C87 | C98 |
|--------------|------|------|------------|------|------|
| Angola | 1976 | 1976 | Botswana | 1997 | 1997 |
| DRC | 1969 | 1960 | Lesotho | 1966 | 1966 |
| Madagascar | 1960 | 1998 | Malawi | 1965 | 1999 |
| Mauritius | 1969 | 1969 | Mozambique | 1996 | 2003 |
| Namibia | 1995 | 2000 | Seychelles | 1999 | 1978 |
| South Africa | 1996 | 1997 | Swaziland | 1978 | 1978 |
| Tanzania | 1962 | 1962 | Zambia | 1996 | 1964 |
| Zimbabwe | 1998 | 1998 | | | |

Source: Adapted from Smit (2014, p. 459).

As mentioned previously, South Africa, as part of SADC, adopted the Charter on Fundamental Social Rights in 2003. According to Smit (2014, p. 459), it includes the article on freedom of association and collective bargaining that “requires member states to create an enabling environment consistent with ILO conventions on freedom of association, and the right to organise, and collective bargaining (Art. 4).” Table 3 indicates the member states of SADC and in what year they ratified Conventions 87 and 98 of the ILO.

4.4 INTERNATIONAL FRAMEWORK AGREEMENTS AND THE ILO

Over the last few years, IFAs have emerged as a “new tool of regulation within transnational companies” (Telljohann et al., 2009, p. 507), with the aim of securing “core labour rights across multinational corporations’ global supply chains” (Hammer, 2005, p. 511). All IFAs are based on the principle of “respecting minimum standards for labour and human rights,” as well as adhering to national legislation and industry regulations (Hammer, 2005, p. 520). With the great number of ILO conventions sanctioned, there is a possibility that IFAs can improve minimum standards in MNCs’

foreign operations (Hammer, 2005). However, this is largely only valid for the core conventions associated with fundamental rights (see Table 4). IFAs cover more traditional bargaining issues such as “employment, wages, working time, health and safety, training or restructuring” (Fichter, Sydow, & Volynets, 2007).

Table 4:

ILO Conventions in IFAs

| Number | Name | Adopted | Core |
|--------|--|---------|------|
| C001 | Hours of Work (Industry) Convention | 1919 | |
| C029 | Forced Labour Convention | 1930 | X |
| C047 | Forty-Hour Week Convention | 1935 | |
| C087 | Freedom of Association and Protection of Right to Organise | 1948 | X |
| C094 | Labour Clauses (Public Contracts) Convention | 1949 | |
| C095 | Protection of Wages Convention | 1949 | |
| C098 | Right to Organise and Collective Bargaining Convention | 1949 | X |
| C100 | Equal Remuneration Convention | 1951 | X |
| C105 | Abolition of Forced Labour Convention | 1957 | X |
| C111 | Discrimination (Employment and Occupation) Convention | 1958 | X |
| C131 | Minimum Wage Fixing Convention | 1970 | |
| C135 | Workers' Representatives Convention | 1971 | |
| C138 | Minimum Age Convention | 1973 | X |
| C155 | Occupational Safety and Health Convention | 1981 | |
| C156 | Workers with Family Responsibilities | 1981 | |
| C161 | Occupational Health Services Convention | 1985 | |
| C162 | Asbestos Convention | 1986 | |
| C167 | Safety and Health in Construction | 1988 | |
| C182 | Worst Forms of Child Labour Convention | 1999 | X |
| R116 | Reduction of Hours of Work Recommendation | 1962 | |
| R143 | Workers' Representatives Recommendation | 1971 | |

Source: Adapted from Hammer (2005, p. 518).

Besides mentioning minimum standards for labour rights, IFAs frequently also affirm their compliance with the requirements of the following bodies: the ILO Tripartite Declaration on the Fundamental Rights of Workers, the UN Universal Declaration of Human Rights, the UN Global Compact, and the Organisation for Economic Co-operation and Development's *Guidelines for Multinational Enterprises* (Hammer,

2005). These agreements might also state their support of fundamental human rights in the workplace and community, and may acknowledge their corporate social responsibility (CSR) (Sobczak, 2007; Riisgaard, 2005). With regard to the ILO Tripartite Declaration on the Fundamental Rights of Workers, the Global Employment Agenda (GEA) agreement clearly stated that they “agree to observe, secure or further extend the generally accepted ILO core working standards and human rights” (Hammer, 2005, p. 520). As Hammer (2005) pointed out, the main area of IFAs is the acceptance of the ILO core conventions regarding:

- i. freedom of association, the right to organise, and collective bargaining (C87, C98);
- ii. equality and non-discrimination (C100, C111);
- iii. the prevention of forced labour (C29, C105); and
- iv. the prevention of child labour (C138, C182).

While all IFAs make reference to the ILO conventions, not all specifically refer to the conventions by number. Some IFAs strengthen unions, whereas many others move beyond these core provisions and include much more detailed requirements (Hammer, 2005). Some IFAs only covers the basic reference to core labour conventions, such as the Carrefour agreement, which “only list[s] ILO Convention 87, 98 and 135” (Hammer, 2005, p. 524). Usually, these agreements do not even consist of a full page. With regard to IFAs, it can be concluded that the two most important core conventions of the ILO are the right to freedom of association (C87) and the right to organise and to collective bargaining (C98). These two conventions are explained in more detail in the next section.

4.5 TRANSNATIONAL COLLECTIVE BARGAINING AND EMPLOYMENT CONDITIONS

During the 1960s, international trade secretariats (ITSs), known as GUFs since 2002, stimulated the formation of networks and world councils within MNCs, to aid the exchange of information and, ultimately, to engage in transnational bargaining (Telljohann et al., 2009). However, since the management of MNCs frequently refused to recognise them as bargaining agents and there is currently no legal

framework for transnational collective bargaining, transnational collective bargaining is all but an easy endeavour (Telljohann et al., 2009; Sobczak, 2007). The various challenges to transnational collective bargaining have been the subject of many studies since the 1970s (Telljohann et al., 2009).

Although there are various legal and sociological elements that are cause for concern in collective bargaining, and there are differences between the actors and systems of labour relations, transnational collective bargaining has emerged (Telljohann et al., 2009). In the 1970s, MNCs encountered restrictive action from several national governments and endeavours of regulation on a global level (Telljohann et al., 2009). The guidelines of the Organisation for Economic Co-operation and Development (OECD) for MNCs were introduced in 1976, followed by the Tripartite Declaration of Principles regarding MNCs and the Social Policy of the ILO, in 1977. At more or less the same time, there were ongoing negotiations in New York to establish a UN code of conduct for MNCs (Telljohann et al., 2009).

The European Commission launched several initiatives with the goal of endorsing Europe-wide employee representation and the opportunity to negotiate with MNCs (Telljohann et al., 2009). This proposal led to the Directive on European work councils (EWCs) finally being implemented in 1994. The initiatives introduced by these EWCs, as well as their association with the strategies of union organisations at the national, European, and international levels, gave new momentum to transnational collective bargaining with MNCs. The role of the EWCs and the advancement of union strategies may explain why European MNCs have become more prone to signing agreements with GUFs, after years of refusal to acknowledge them as bargaining partners (Telljohann et al., 2009).

In 2004, the European Commission broadcast its intent to conduct a study and to “consult the social partners on the elaboration of an optional framework for transnational collective bargaining” (Telljohann et al., 2009, p. 510). This group of professionals submitted its report in 2005, supporting the implementation of such a voluntary legal framework through a directive on the formation of a European system of transnational collective bargaining, adding to the existing national systems (Ales et al., 2006). The report, accompanied by a first investigation of existing IFAs (see

Chapter 6), was presented and conferred during a conference arranged by the European Commission with the representatives of the social partners, in May 2006 (Telljohann et al., 2009). Union organisations were supportive of this voluntary framework, while most of the employers' representatives were opposed to it; yet, everyone agreed that more information on this topic was necessary. In November 2006, a second conference were held by the European Commission, where employer representatives voiced even more opposition to "any legal framework on transnational collective bargaining even if it were to be optional" (Telljohann et al., 2009, p. 510).

According to Marginsons (1992, p. 531), the development of transnational collective bargaining was seen as "one effective means of enhancing the employment conditions of workers employed in host countries, and the employment security of workers employed in both source and host economies." The European Commission published its Social Agenda in 2005, which proposed to "develop an optional European framework for transnational bargaining," which would assist MNCs to manage difficulties pertaining managing work, employment, working conditions, and training (Gennard, 2008, p. 100).

Because there are currently no frameworks in the field of transnational collective bargaining, no authority has been explicitly given by labour laws to any player to negotiate such agreements (Sobczak, 2007). Telljohann et al. (2009) agrees and stated that, since there is currently no legal framework for transnational collective bargaining at European or international level, only IFAs co-signed by national trade unions can have a legally binding effect. It is important to note that IFAs are not aimed at substituting local or national collective bargaining (Wills, 2002).

Instead, international bargaining is aimed at protecting and extending the space in which partners organise and bargain. With this in mind, and as a result of globalisation, several countries are experiencing attempts by employers and governments to reject or reduce this bargaining space (Wills, 2002). IFAs assist in focussing international organising and bargaining activities directed at protecting this space. Riisgaard (2005) argued that IFAs reveal a hopeful way to protect and

improve workers' rights within MNCs, and, in turn, create space for union organising, collective bargaining, and social dialogue.

The prospects of transnational collective bargaining appear to be a distant possibility (Marginsons, 1992). Yet, the European Commission decided to prepare proposals (the exact details of which are currently unknown) for the introduction of a legal framework for collective bargaining at transnational level and within MNCs (Gennard, 2008).

4.6 CONCLUDING REMARKS

The ILO is a UN agency that deals with labour issues, specifically with regard to international labour standards, social protection, and equal work opportunities (Hughes, 2005). The ILO was established in 1919, and consists of three main bodies, namely the International Labour Office, the International Institute of Labour Studies, and the International Training Centre, each with its own role and function (Hughes, 2005). The ILO is headquartered in Geneva (Standing, 2010), and has a multilateral or, more specifically, tripartite governing structure, which represents governments, employers, and workers (ILO, 2015; Hughes, 2005).

The governing body plays an important role, and four strategic objectives of the ILO were identified. Particular attention was given to Conventions 97 and 98, which, respectively, address freedom of association and the right to collective bargaining (both fundamental at work). Conventions are converted into a legally binding instrument once they are adopted into the national legislative frameworks of a member state (Hughes, 2005).

In relation to collective bargaining, the European Commission published its Social Agenda in 2005, which proposed to “develop an optional European framework for transnational bargaining,” which would assist MNCs to manage difficulties in managing work, employment, working conditions, and training (Gennard, 2008, p. 100). The prospects of transnational collective bargaining appear to be a distant possibility (Marginsons, 1992). Yet, the European Commission decided to prepare

proposals (the exact details of which are currently unknown) for the introduction of a legal framework for collective bargaining at transnational level and within MNCs (Gennard, 2008)

CHAPTER 5

MULTINATIONAL COMPANIES AND CODES OF CONDUCT

| | | |
|-------|---|----|
| 5.1 | WHAT IS A CODE OF CONDUCT?..... | 80 |
| 5.2 | THE RISE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)..... | 81 |
| 5.2.1 | Labour and CSR..... | 83 |
| 5.3 | THE EVOLUTION OF CODES OF CONDUCT..... | 83 |
| 5.4 | THE EXAMPLE OF NIKE..... | 85 |
| 5.4.1 | The Evolutions of Nike's Code of Conduct..... | 86 |
| 5.5 | IMPLEMENTING CODES OF CONDUCT: MONITORING AND COMPLIANCE..... | 87 |
| 5.5.1 | Analysing the content of codes of conduct..... | 88 |
| 5.6 | TRADE UNIONS AND CODES OF CONDUCT..... | 89 |
| 5.7 | ARGUMENTS FOR AND AGAINST CODES OF CONDUCT..... | 90 |
| 5.8 | CONCLUDING REMARKS..... | 92 |

5.1 WHAT IS A CODE OF CONDUCT?

According to Wills (2002, p. 768), codes of conduct are merely “statements of good intent regarding corporate social responsibility.” In other words, these are voluntary declarations regarding an organisation’s commitment to CSR. Voluntary initiatives or voluntary standards are, for the purposes of this study, defined as private and legal but not binding obligations, with no clear legal implications, in other words ‘soft law.’ A code of conduct can be seen as a policy to decrease reputational risks of MNCs (Hassel, 2008; Weiss, 2013). It is a set of rules that outlines the social norms, values, rules, responsibilities, or practices, targeted at the individual, parties, or the whole organisation. Codes of conduct can be seen as a model of “private voluntary regulation” in the workplace (Locke, Kochan, Romis, & Qin, 2007). Kolk, Van Tulder, and Welters (1999, p. 146) viewed codes of conduct as “written guidelines, recommendations or rules issued by actors within society to enhance corporate social responsibility”.

A general code of conduct is a written document that is compiled for workers of a company; it protects the business, and notifies workers of what is expected of them. This document does not have to be complex, and it does not have to include elaborate policies (see Appendix A). However, this written document should contain statements on what the company expects from each employee. Codes of conduct involve “guidelines, recommendations or rules issued by entities within society (adopting body or actor) with the intent to affect the behaviour of (international) business entities (target) within society in order to enhance corporate responsibility” (Kolk, Van Tulder, & Welters, 1999, p. 151).

Religious laws, ethics, honour, moral codes, and CSR are all concepts related to codes of conduct. Codes of conduct provide a new option to MNC regulation through self-regulation, using the civil society to observe (Compa, 2004). During the 1990s, the concept of CSR as a management tool became prominent (Drouin, 2008). Codes of conduct are rooted within this CSR context, and MNCs now even

recruit executives specifically allocated to co-ordinating CSR functions (Hassel, 2008).

5.2 THE RISE OF CSR

The discussions on regulating activities conducted by MNCs are generally related to three main themes. Firstly, these are related to the relocation debate or the discussion about outsourcing production factories to countries with lower wages and poorer work conditions (which was the case with Nike). Since regulatory structures in these countries might not be functioning or are absent, suppliers might exploit workers and resort to “child labour, pay extremely low wages or deny workers basic rights,” such as freedom of association and collective bargaining (Kolk, Van Tulder, & Welters, 1999, p. 145). A second theme is collaboration with, or implied support for, oppressive commands. The third theme is environmental damage caused by MNC operations, such as oil spills, dioxin leaks, explosions, and pollution. This resulted in a surplus of codes and statements of CSR in the twentieth century. Yet, there was no clear indication of their content, reliability, or impact.

The concept of CSR was introduced during the early twentieth century in the United States of America, and was instigated by rich business people who believed companies are more than just profit-generating objects (Kolk, Van Tulder, & Welters, 1999). This notion was fostered by concerns regarding the inequality created by the growing size and power of companies. After its rise, the importance of CSR diminished during the Great Depression of the 1930s and World War II, in the 1950s (Kolk, Van Tulder, & Welters, 1999). The stakeholder theory has, in the past two decades, influenced this discussion, as the field of business ethics raised awareness of moral duties and value systems.

The rise of CSR can be ascribed to the changing market conditions and patterns of consumption. Nowadays, the significance and prevalence of brands are the governing product value factor in the market for consumer goods (Riisgaard, 2005). With markets becoming increasingly homogenous, it can be said that “brands are what differentiate a product” (Riisgaard, 2005, p. 714). When moving to the field of marketing, it is well known that a brand sells a product through images of

consumption. Therefore, it is critical to incorporate values that are shared by consumers, and this, more than ever before, includes CSR (Riisgaard, 2005). As pointed out by Riisgaard (2005, p. 714), the following all contributed to a higher level of consumer awareness: “activism by NGOs, media coverage of corporate misbehaviour, and calls for product boycotts by consumer associations.” This also assisted in mobilising the public to use their purchasing power to support socially responsible business conduct. As Thomas Gad, a famous marketing researcher stated, “for most companies it can be said that they won’t necessarily get more customers by being socially responsible, but they definitely risk losing customers by not being socially responsible” (Riisgaard, 2005, p. 714).

The increase in socially responsible investment strategies has pressurised companies to adopt CSR initiatives (Riisgaard, 2005). According to DeTienne and Lewis (2005), research showed that nearly three quarters of North American investors consider CSR when making investment decisions. Socially responsible investors avoid investing in companies displaying obvious unethical behaviour, since potential dissatisfaction is probable, and consumers may not support companies associated with practices such as child labour (Riisgaard, 2005). When companies engage in public social dialogue, they have to deal with issues such as how to ethically, legally, and effectively reveal information, while upholding a positive image (DeTienne & Lewis, 2005).

The pressure on companies to take on CSR initiatives and the degree to which they can distinguish products through CSR differ significantly from company to company, specifically when considering their products, outlet market, and brand dependency (Riisgaard, 2005). DeTienne and Lewis (2005, p. 360) claimed that, in order to remain competitive in the global market, companies should always ‘put its best foot forward’ when it comes to advertising and reports. However, “the jagged line between optimism and deceit is often difficult to distinguish.” Maintaining integrity is much more challenging if a company has to report on undesirable details or respond to criticism (DeTienne & Lewis, 2005).

There is currently no universal agreement on indicators to evaluate the CSR of a company (Kolk, Van Tulder, & Welters, 1999). The concept of CSR includes three

levels of analysis — society, company, and manager — with three complementary principles: “at social or company level, the principle of legitimacy; at the organisational level, the principle of public responsibility; and at the individual level, the principle of managerial discretion” (Kolk, Van Tulder, & Welters, 1999, p. 150). Codes of conduct are applicable to all three these levels.

5.2.1 Labour and CSR

Although corporate companies are mainly adopting CSR for profitability and damage prevention, this new environment also enables companies to “identify overlapping interests between employers and workers and thereby cooperation through negotiated initiatives” (Riisgaard, 2005, p. 716). Furthermore, the fact that CSR provides “new possibilities for union cooperation across geographical and political boundaries” has given labour new influential tools with which to openly questioning businesses in their outlet markets (Riisgaard, 2005, p. 716). This also facilitates the combination of bargaining power between non-governmental organisations (NGOs), consumers, and investors.

An important question asked by various labour relations experts and management of MNCs is whether corporate codes of conduct can actually play a role in “monitoring compliance with international labour standards and improving working conditions in global supply chains” (Locke et al., 2007, p. 21). With regard to this question, Riisgaard (2005, p. 716) stated that workers can exploit this new CSR climate to ensure respect for basic workers’ rights by “forming alliances with NGOs and engaging in internationally negotiated agreements with employers in what could be called new forms of social contracts” (Riisgaard, 2005, p. 716). Whether the behaviour of MNCs can be regulated through codes of conduct has been an on-going debate (Kolk, Van Tulder, & Welters, 1999).

5.3 THE EVOLUTION OF CODES OF CONDUCT

After the fall of the Berlin Wall, international companies were competing to prove their commitment to “building a more humane social and economic world order” (Wills, 2002, p. 677). Many MNCs issued codes of conduct obligating themselves to

employ responsible employment practices and activities in local communities and the environment (Pearson & Seyfang, 2001; Wills, 2002). These struggles to support labour standards are continually challenged by the pressure of costs of global competition, directed by the same companies signing the codes of conduct (Wills, 2002). As pointed out by Wills (2002, p. 677), the actual concern is “whether codes of conduct are an appropriate instrument for addressing the overall threat to labour standards in globalised industries.”

In our modern world, trade unions should be placed in a position where they can mediate in these developments and debates (Wills, 2002). Labour standards were mostly regulated on a national basis through various laws, negotiations, and company policies during the twentieth century. On an international basis, the ILO and its conventions assisted with moral guidance regarding obligations, yet, these still lacked substantial enforcement power (Locke et al., 2007). It is in this context that corporate codes of conducts emerged. Codes of conduct ascended in the absence of a global justice system, and trade unions, NGOs, and consumer groups have steered many MNCs to develop their own codes of conduct with various monitoring devices, intended to ensure compliance (Locke et al., 2007; Van Tulder & Kolk, 2001).

New social movements, associated with globalisation, are focussed on workers’ rights and employment conditions in the global economy. However, countless workers are increasingly aware of the need for self-organisation, whereas many employers are still cautious about these concerns (Wills, 2002). The debate on voluntary self-regulation has been going on since the 1970s, but the lack of “international consensus about the function, the wording and about potential sanctions against non-compliant firms” weakened the original objective of making the codes binding (Kolk, Van Tulder, & Welters, 1999).

Throughout the 1980s, codes of conduct received limited attention, because the codes of the ILO and the OECD performed a similar function (Kolk, Van Tulder, & Welters, 1999; Weiss, 2013). During these years the debate about corporate codes of conduct was restricted to business ethics (Kolk, Van Tulder, & Welters, 1999). Activities to establish international labour standards for MNCs’ behaviour resurfaced

in the 1990s (Kolk, Van Tulder, & Welters, 1999). At this time, governments, social interests groups, and businesses started to draft codes of conduct, whereby they voluntarily dedicated themselves to a set of norms and values (Kolk, Van Tulder, & Welters, 1999). This was done either individually, or with the direction of business support groups.

Companies are not only mediators of globalisation, but can also be seen as actors that generate the spaces in which new competition for systems and structures of globalisation occurs (Anner, Greer, Hauptmeier, Lillie, & Winchester, 2006). As a result, the following spaces, both within and around businesses, constitute new grounds for conflict: global worker representation, supply chains, corporate codes of conduct, and standard production practices. Nike and Levi Strauss & Co. were the first to adopt a code of conduct to secure labour rights with its suppliers (Van Tulder & Kolk, 2001). Levi Strauss & Co. and Nike each adopted a code of conduct in 1992, and revised it a few times thereafter.

Codes of conduct reflect an attempt to gain more clarity regarding “universal moral norms and the fundamental rights and duties of multinationals” (Van Tulder & Kolk, 2001, p. 269). According to Van Tulder and Kolk (2001), North American companies are much more prone to adopt corporate codes of conduct than the rest of the world. The global operations of companies have a considerable impact on the development and implementation of ethical business principles, such as those prescribed by codes of conduct (Van Tulder & Kolk, 2001). Organisations, in general, have subscribed to “collective guidelines and compacts as well as to the use of voluntary codes of conduct as a pivotal element of a strategy for corporate social responsibility” (Fichter, Sydow, & Volynets, 2007, p. 3).

5.4 THE EXAMPLE OF NIKE

The purpose of this section is not to judge Nike’s practices, nor to praise their courses of action. Instead, this section will observe the decisions made by Nike, in order to see what the consequences were, as it might give insight to other MNCs. As mentioned in previous sections, globalisation triggered an aggressive debate

about what the best approach is to enforcing labour standards and improving working conditions in global companies (Locke et al., 2007). According to Locke et al. (2007), “child labour, hazardous working conditions, excessive working hours, and poor wages continue to plague many factories in developing countries, creating scandal and embarrassment for the global companies that source from them.”

5.4.1 The Evolution of Nike’s code of conduct

In 1964, Phil Knight and Bill Bowerman both invested \$500 in a company that is now worth billions of US dollars (Locke, 2003; DeTienne & Lewis, 2005). The company operated under the name *Blue Ribbon Sports*, which was officially changed to *Nike* in 1978 (Locke, 2003). However, DeTienne and Lewis (2005) reported that the name change occurred in 1972. Nike is the largest athletic footwear company in the world (with about 830 suppliers in 51 countries), and lately also manufactures sports equipment and clothing (Locke et al., 2007; Locke, 2003; DeTienne & Lewis, 2005).

During the 1990s, Nike was accused of obtaining its products from factories about which there were grave concerns regarding low wages, poor working conditions, and human rights abuses (Locke et al., 2007; Locke, 2003). This criticism included underpaid workers in Indonesia, child labour in Cambodia and Pakistan, and poor working conditions in China and Vietnam. Together, these labour issues and scandals caused negative publicity and major reputational damage to Nike’s image (Van Tulder & Kolk, 2001; Locke, 2003; DeTienne & Lewis, 2005).

Initially, Nike’s management denied any responsibility for these labour and environmental problems at their suppliers (Locke et al., 2007; Locke, 2003). Their argument was that the workers in those factories were not Nike employees, and therefore Nike had no accountability towards them (Locke et al., 2007). By 1992, their negligent and laidback approach changed as they formulated a code of conduct that required its suppliers to “observe some basic labour and environmental/health standards” (Locke et al., 2007, p. 25).

Prospective suppliers were obliged to sign the Nike code of conduct and even post it in their factories (Locke et al., 2007). However, opponents argued that this code of

conduct was simply ‘window dressing,’ as most of the ground workers in the factories were illiterate and did not hold the authority to demand its implementation (Locke et al., 2007; Locke, 2003). Critics believed it was a minimalist approach that was not fully enforced. Nevertheless, the evolution of their code of conduct indicated that Nike was willing to address many of the severe problems found in its suppliers (See Appendix A for the latest version of the code).

Since 1998, Nike has more aggressively attempted to ‘do the right thing.’ Nike has “increased the minimum age for footwear factory workers to 18,” and “insisted that all footwear suppliers adopt United States Occupational Safety and Health Administration (OSHA) standards for indoor air quality” (Locke et al., 2007, p. 25). Nike also established various new departments, such Labour Practices and the Nike Environmental Action Team (NEAT), which are organised by the CSR and Compliance Department (Locke et al., 2007; DeTienne & Lewis, 2005).

Nike has appointed about 80 CSR and compliance managers and inspectors, who visit the footwear factories on a daily basis. In the clothing sector, depending on the size of the company, Nike managers carry out onsite inspections weekly or monthly, as there is larger number of suppliers (Locke et al., 2007). Nike also appointed a large number of production managers globally, who receive training in the Nike code of conduct as well as “labour practices, and cross cultural awareness, and in the company’s Safety, Health, Attitudes of Management, People Investment and Environment (SHAPE) programme” (Locke et al., 2007, p. 25). Lately, Nike has even pressured their suppliers to observe standards via improved monitoring and inspection practices, including their own management audit known as the M-audit (Locke et al., 2007). In June 2001, Nike introduced the Compliance Rating Programme, which uses a grading system to assess all its suppliers (Locke et al., 2007).

5.5 IMPLEMENTING CODES OF CONDUCT: MONITORING AND COMPLIANCE

With regard to the implementation and introduction to codes of conduct, the sporting industry can be seen as one of the ‘best practice’ industries globally (Van Tulder &

Kolk, 2001). Codes of conduct and their monitoring mechanisms should be complemented by other more systematic interventions in order to tackle the “root causes of poor working conditions” (Locke et al., 2007, p. 35).

5.5.1 Analysing the content of codes of conduct

When analysing the content of codes, it is important consider specificity and compliance mechanisms. If codes are very specific, it eases the measuring process and, in turn, monitoring (Van Tulder & Kolk, 2001). Monitoring usually enhances a code of conduct’s extensiveness, as well as the probability of compliance (Van Tulder & Kolk, 2001).

In order to analyse and compare codes of conduct, a relatively standardised model can be used. This model looks at specificity and compliance mechanisms of codes of conduct. The *specificity* criterion looks at three issues: social, environment, and generic, and gives a short elaboration on each subject. It focuses on organisations targeted, the geographic scope, and the nature of the code (Kolk, Van Tulder, & Welters, 1999). This criterion measures quantitative standards, the time horizon, and references made. The *compliance* criterion focuses on the monitoring systems and processes, the position of the monitoring actor, sanctions, sanctions to third parties, financial commitment, and, lastly, commitment of management (Van Tulder & Kolk, 2001).

The above approach is aligned with some of the conventions and recommendations of the Tripartite Declaration implemented by the ILO (Kolk, Van Tulder, & Welters, 1999). Four of the *Social Issues* categories in the model are based on the Tripartite Declaration:

- employment (consisting of employment promotion, equality of opportunity and treatment, and security of employment);
- training;
- working conditions (wages and benefits, conditions of work and life, and safety and health); and

- industrial relations (freedom of association and the right to organise, collective bargaining, consultation, examination of grievances, and settlement of industrial disputes).

Recent discussions on codes of conduct have emphasised compliance mechanisms, a “broad term for implementation, monitoring, reporting, auditing, verification and enforceability” (Kolk, Van Tulder, & Welters, 1999). Directly connected to credibility and efficiency is the person who does the monitoring and his/her independence (Kolk, Van Tulder, & Welters, 1999). Kolk, Van Tulder, and Welters (1999) identified six types of monitoring actors: the organisation, business support groups such as trade and industry associations, external professionals paid by the organisation being monitored, combinations of different actors (for example, business support groups and social interest groups), social interest groups with not involvement of the organisation, and legal authorities.

5.6 TRADE UNIONS AND CODES OF CONDUCT

When considering the significance of workers’ rights at all levels in the global economy, trade unions play a vital role in the evolving networks of global protest to ensure fair working conditions (Wills, 2002). The proliferation of corporate codes of conduct has created both co-operation and tension between “trade unions and NGOs that deal with workers’ rights in the global economy” (Compa, 2004, p. 210). Trade unions and NGOs have different ways of analysing problems and thinking about global social justice, but, in the end, they have the same goal, which is to stop the abusive behaviour of MNCs.

Trade unions represent workers at various levels (national and international), and can contribute in different ways, such as GUFs being in a position to ensure specific codes of conduct are respected (Wills, 2002). Violations can then be used as power or control to protest for better rights for workers along corporate chains. Furthermore, these same networks can also be used as a mechanism to make sure that workers are “consulted about and involved in the development of codes of conduct and any subsequent campaigns that take place” (Wills, 2002, p. 768).

5.7 ARGUMENTS FOR AND AGAINST CODES OF CONDUCT

Proponents see codes of conduct as a dynamic response to the requirements of global production networks (GPNs), and as a regulatory device to enforce labour laws in developing countries (Locke *et al.*, 2007). Compa (2004, p. 210) agrees and stated that supporters of codes of conduct argue that codes can “harness the market power of informed consumers to halt abuses against workers in developing countries.” A second view is that, when a code of conduct is promoted by a brand, it might help to improve labour standards, especially in the case where the country in which the factory is located lacks the capacity or resources to conduct regular inspections (Locke *et al.*, 2007).

Critics of codes of conduct claim that these displace more comprehensive government and union interventions, and are not designed to secure labour rights or improve working conditions; instead they “limits the legal liability of global brands and prevent damage to their reputation” (Locke *et al.*, 2007, p. 22; Kolk, Van Tulder, & Welters, 1999; Compa, 2004). Codes of conduct can be seen as voluntary standards related to the social and environmental situations of production and labour, especially in securing workers’ basic rights. However, sometimes codes of conduct can create responses that counter labour’s interests, as codes may undermine the role of local unions who represent workers (Riisgaard, 2005). This is done by sanctioning codes that work against workers’ basic rights, or through starting a dialogue between employers on the establishment and monitoring of codes of conduct, “permitting the company to avoid negotiating with employees and their representatives” (Riisgaard, 2005, p. 708).

Hassel (2008, p. 238) stated that there has been a shift in the debate on labour standards as it moved from “regulation by ILO conventions to code of conducts, from governments to multinational firms, and from centralised approaches to decentralised settings.” Unfortunately, this shift brought about implementation- and monitoring problems, as these codes are voluntary, and only succeed if companies are not prevented from participation, which is highly probable when organisations operate in different locations (Drouin, 2008). Voluntary initiatives such as codes of conduct are sometimes frowned upon, since some of them only reflect NGOs’ or

businesses' interests, rather than workers' interests (Riisgaard, 2005). At times, unions are included in constructing 'baseline codes', yet, even when basic labour rights are included, initiatives normally do not involve worker representatives in the monitoring, compliance, or complaint procedures.

Another argument against codes of conduct and the monitoring thereof focuses on the people conducting the inspections. According to Locke et al. (2007, p. 23), the issue is whether those carrying out the compliance audits "can be trusted to make accurate and honest assessments of factory conditions and transparently report their findings." In response to these criticisms, several policies and procedures have been developed to encourage better transparency and less oversight by 'independent' organisations (Locke et al., 2007).

During the 1990s, the ILO conducted an investigation on 215 codes within MNCs, and found that only 15 percent of these codes of conduct referred to freedom of association or to the right to collective bargaining (Riisgaard, 2005). Similarly, the OECD's investigation illustrated that a mere 20 percent of the 182 investigated codes explicitly referred to the ILO conventions on freedom of association and the right to collective bargaining (Engels, 2000; Riisgaard, 2005).

Another debate is concerned with the increasing number and variety of codes of conduct and auditing rules, as well as differences in the quality of the audits conducted (Locke et al., 2007). As mentioned earlier, there are many different codes of conduct focussing on different goals and principles, each with its own individual implementation- and monitoring arrangements. Some focus on freedom of association, while others might emphasise wages or health and safety (Locke et al., 2007; Kolk, Van Tulder, & Welters, 1999). Having such a diverse inspection protocol leaves space for disagreement over whose audit procedures are more comprehensive and accurate.

5.8 CONCLUDING REMARKS

The amplified demands for CSR, accompanied by the new opportunities for union collaboration across geographical and political boundaries, have given labour new influential tools to openly question companies in their outlet markets, and, in so doing, merged their bargaining power with that of NGOs, buyers, and stakeholders (Riisgaard, 2005). This new climate has produced shared interests amongst managers and workers and space for collaboration through negotiated, voluntary initiatives (Riisgaard, 2005).

The underlying assumption of codes of conduct is that information shall be collected by means of factory audits, and, if unsatisfying, companies and factories will be pressurised to improve working standards. If concerns are not remedied, brands might move to companies whose factories follow more ethical procedures (Locke et al., 2007). The case of Nike illustrates both the risks and benefits intrinsic to globalisation (Locke, 2003). The example of Nike demonstrates that, when there is a violation of a public commitment in the field of CSR, courts may see this violation as a situation of deceptive advertisement, and impose sanctions against the company (Sobczak, 2003; Sobczak, 2007).

In a study conducted by Locke et al. (2007, p. 35) on corporate codes of conduct and the situation of Nike, they offered the following theories:

1. In order to generate internal corporate support and commitment to establishing and enforcing codes of conduct, external pressures are indispensable.
2. Codes of conduct should be complemented by other regulations such as laws, policies and procedures; otherwise they might not be enforceable and, consequently, would not lead to improved labour standards.
3. For company-specific codes of conduct and monitoring systems to be sustained and continue improving compliance, these should be:
 - a) integrated into “management structures and processes governing production, quality improvement, human resources management, and other operational and strategic aspects of supply chain management”;
 - b) accompanied by effective implementation of national laws that adhere to internationally recognised labour standards; and

- c) supplemented by workplace unions or other organisations that offer workers a voice in production- and employment issues.

Although codes of conduct have many limitations and critics, they do provide guidelines and recommendations to enhance CSR. Voluntary initiatives such as codes of conduct are welcomed; however, workers still need the right to organise in order to improve their working and living conditions (Wills, 2002). An important question was pointed out by Compa (2004, p. 211), who asked whether “consumer awareness and potential reaction is enough to punish those who violate workers’ rights.” The next chapter is aimed at providing some answers to this dilemma.

CHAPTER 6

INTERNATIONAL FRAMEWORK AGREEMENTS: NEW TOOLS OF TRANSNATIONAL LABOUR RELATIONS

| | | |
|------|---|-----|
| 6.1 | INTRODUCTION..... | 95 |
| 6.2 | GLOBALISATION AND THE WORLD OF WORK..... | 95 |
| 6.3 | OVERVIEW OF INTERNATIONAL FRAMEWORK AGREEMENTS (IFAs)..... | 97 |
| 6.4 | HISTORY OF IFAs..... | 99 |
| 6.5 | THE EMERGENCE OF IFAs..... | 104 |
| | 6.5.1 Advantages of IFAs..... | 106 |
| 6.6 | THE SCOPE OF IFAs..... | 108 |
| | 6.6.1 The Rights Conferred by IFAs..... | 109 |
| | 6.6.2 The Main Features of IFAs..... | 110 |
| 6.7 | THE SCOPE OF APPLICATION OF IFAs..... | 110 |
| 6.8 | IMPLEMENTATION: MONITORING AND DISPUTE RESOLUTION OF IFAs WITHIN MNCs..... | 113 |
| | 6.8.1 Monitoring..... | 114 |
| | 6.8.2 Dispute Resolution..... | 116 |
| | 6.8.3 The legal aspects of IFAs negotiated between IFAs and GUFs..... | 118 |
| 6.9 | TRADE UNION CAPACITY AND IFAs..... | 118 |
| 6.10 | IFAs ACROSS THE SUPPLY CHAIN..... | 121 |
| 6.11 | LIMITATIONS AND WEAKNESSES OF IFAs..... | 122 |
| 6.12 | IFAs vs CODES OF CONDUCT..... | 123 |
| 6.13 | CONCLUDING REMARKS..... | 124 |

6.1 INTRODUCTION

Globalisation has, over the last decades, challenged labour's traditional practices at the national and the international level. Organised labour was greatly influenced by “economic liberalisation, deregulation, privatisation and the emergence of new and vast labour, manufacturing and consumer markets” (Hammer, 2005, p. 512). Labour was also confronted with some obstacles relating to the establishment of methods of social dialogue and organisation. Although some countries are still cautious about developing transnational labour relations and supporting new forms of organising and bargaining, there are some who are willing to use traditional international trade unions and adapt them innovatively to fit the new modern global economy, which is dominated by MNCs (Hammer, 2005; Lillie & Lucio, 2012).

As part of these developments, GUFs began to sign what is now known as IFAs. These IFAs are agreements on fundamental labour rights with MNCs. With reference to sectorial elements, labour relations structures, and forms of organising, the next section provides an overview of the emergence of IFAs in an attempt to ensure core labour standards. This includes a discussion on what motivates MNCs to negotiate and conclude IFAs, an instrument of social inclusion in terms of multi-level governance.

6.2 GLOBALISATION AND THE WORLD OF WORK

As mentioned in Section 3.1, globalisation caused for a change in the world of international trade, as well as the world of work. With the increase in MNCs and the growth of their power and flexibility, resources are no longer limited to one country, and, in many countries, the ability of the state to secure social rights has deteriorated (Riisgaard, 2005). Therefore, labour needs to look beyond government to support strategies to secure labour rights. Ultimately, the question that needs to be answered is how labour can be protected in our new globalised world.

Globalisation has an impact on various different fields and areas, yet it can be seen that the most obvious and extensive impact is on the world of work (Fichter, Sydow,

& Volynets, 2007; Weiss, 2013). It is necessary to understand some of the challenges faced by globalisation processes and trends, in order to recognise the implication of possible advantages and limitations of IFAs. Riisgaard (2005) listed the following as potential advantages or limitations of IFAs, depending on how these are reacted upon: the spread of the market economy, changing market conditions and patterns of consumption, and the rise of CSR. Because markets have opened up, various trade barriers have been lowered, resulting in an exposed labour market, causing workers from different countries to be in direct competition with each other (Riisgaard, 2005). Capital flows to places where labour costs are low and productivity is high, meaning countries can “compete based on low wages and weaker labour protections” (Riisgaard, 2005, p. 713).

This economic globalisation has not been supported by global social measures; instead, there has been a decrease in social protection standards, because of competitiveness, flexibility, and the exclusion of old economy mechanisms (Fichter, Sydow, & Volynets, 2007). Fichter, Sydow, and Volynets (2007) argued that there is a need for more universal human and labour rights, as increasing globalisation has caused the internationalisation of labour market competition and exploitation of labour in various countries. This increased the need for global information and campaign networks. With this in mind, there is a definite need to look at the ‘responsibility gap.’

Although many MNCs uphold core ILO labour standards, codes of conduct, voluntary commitments, and goodwill, global governance still needs a contractual agreements in order to ensure a fair and comprehensive distribution of wealth and well-being (Fichter, Sydow, & Volynets, 2007). It was with this in mind that the suggestion of IFA’s made its appearance. IFAs constitute an instrument that creates a contractual agreement between companies operating across national borders. According to Fichter, Sydow, and Volynets (2007, p. 3), IFAs have “become a recognised basis of agreements between GUFs and TNCs for setting labour standards and promoting social dialogue.”

Fichter, Sydow, and Volynets (2007, p. 3) argued that “the setting of labour standards and the regulations of employment relations with the goal of guaranteeing

decent working conditions should be integral elements of a system of global governance.” Although at times exaggerated and presented as the end of organised labour, the fact remains that, over the last decades, countless globalisation processes have, to some degree, eroded the foundation on which structured labour was conventionally built (Riisgaard, 2005). The following sections will show how this new era of a globalised context has brought new possibilities for workers to secure rights within multinational companies.

6.3 OVERVIEW OF IFAs

International Framework Agreements are a rapidly developing phenomenon; only 11 existed in 2001, which doubled to 22 by 2002, and increased to 30 in 2005 (Riisgaard, 2005). At the time of writing, at least 100 such agreements had been signed (Global Union, 2009). IFAs were introduced to “overcome shortages in the national regulations of employment practices in cross-border production and supply networks” (Fichter, Sydow, & Volynets, 2007, p. 18). Through IFAs, GUFs strive for communal acceptance of standards that are normally the responsibility of governments. IFAs are an instrument for the regulation of employment relations between MNCs and their supply networks (Fichter, Sydow, & Volynets, 2007; Telljohann et al., 2009; Sobczak, 2007). Hammer (2005) agrees and specified that IFAs are a vital and innovative tool for establishing transnational labour relations, depending on the different features of international trade union activity, such as their codes of conduct. Yet, he argued, IFAs are still “far from a mature industrial relations tool” (Hammer, 2005, p. 514).

It is important to differentiate between IFAs and European framework agreements (EFAs) since it is not the same thing. In order to differentiate between the two, one can look at the signatories and scope of application. According to Telljohann et al. (2009), an IFA is signed between an MNC and a GUF, and has a global scope of application, whereas an EFA on the other hand, is signed by any “European Industry Federation and/or EWCs and has a European scope of application” (Telljohann et al., 2009, p. 508). For the purpose of the present study, only IFAs will be explored.

IFAs aim to “secure core labour rights across multinational corporations’ global supply chains” (Hammer, 2005, p. 511), and can be seen as a “new form of regulation at a transnational company level” (Telljohann et al., 2009, p. 507). The term *IFA* broadly refers to all agreements that extend beyond national boundaries (Telljohann et al., 2009). Riisgaard (2005, p. 709) described IFAs as “agreements on minimum labour standards negotiated between GUFs and MNEs [multinational enterprises],” whereas GUFs define IFAs (also called *global framework agreements*) as agreements signed by the senior management of an MNC and a GUF. Telljohann et al. (2009) agrees with definition but added additional criteria, namely scope of application. Ultimately, IFAs “specify the minimum social standards which are to be applied throughout TNCs [transnational corporations]” (Fichter, Sydow, & Volynets, 2007, p. 9).

An increasing number of international unions are signing IFAs with MNCs, securing their commitment to upholding fundamental worker rights (Riisgaard, 2005). IFAs can result from “the activities of different trade union structures and may go part of the way towards establishing regular bargaining relations.” Similarly, they also constitute the “starting point for putting labour on the map by according it organising rights in the first place” (Hammer, 2005, p. 512).

Riisgaard (2005) pointed out that IFAs contains minimum standards of freedom of association and the right to collective bargaining, and provide unions with official representation at company level. This representation is one of the main elements that distinguish IFAs from other voluntary initiatives. Another important distinguishing factor is that IFAs are negotiated between a transnational employer and the regional, national, and international unions that represent the workers (Riisgaard, 2005). Further, IFAs offer unions a place in the monitoring- and compliance processes.

The underlying principle of IFAs, can thus be seen as self-organisation, and, even though GUFs can encourage local organising efforts, the execution of an IFA relies on unions and workers deciding to take part and perform their duties (Wills, 2002). Riisgaard (2005) argued that, when used optimally, the case of IFAs reveals new

and favourable labour strategies for attaining workers' rights within MNCs, where unions and NGOs act as partners in safeguarding labour-negotiated agreements.

IFAs extend voluntary CSR commitments (such as codes of conduct), as they provide a contractual basis for TNCs and trade unions to outline standards of employment and describe procedures to ensure implementation (Weiss, 2013). Yet, it is not a replacement for enforceable legislation. However, the descriptions of the rights, tasks, and duties of the relevant parties can be an instrument for fighting global disorder and making sure core labour standards are implemented by MNCs (Fichter, Sydow, & Volynets, 2007). There are currently no model agreements or legal frameworks for IFAs (Weiss, 2013), and, even if such models were to be developed by GUFs, no two IFAs will be the same, and *should* be developed individually (Sobczak, 2007). However, when signatory parties plan on establishing an IFA, they should analyse some existing IFAs of other companies beforehand, which will assist in the development of their own agreement.

6.4 THE HISTORY OF IFAs

IFAs emerged during the 1980s and flourished after 2000 (Hammer, 2005). Even though the first IFA was negotiated in the late 1980s, recognition of an IFA as an instrument to regulate employment relations in TNCs only came after 2000 (Fichter, Sydow, & Volynets, 2007). The first IFA was signed in France, and most of the following IFAs are those of TNCs that have their headquarters in Europe (Fichter, Sydow, & Volynets, 2007). Danone can be seen as the company with the most experience and is considered as a breakthrough in the field of transnational labour relations, as it was the first company to sign an IFA (Telljohann et al., 2009). Because of the concentration of IFAs in Europe, it can be said that the European TNCs have led the way in signing such global agreements (Fichter, Sydow, & Volynets, 2007).

The first IFA was concluded in 1988 and signed between the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco, and Allied Workers' Associations (IUF) and the BSN Group (currently known as Danone) (Fichter, Sydow, & Volynets, 2007; Hammer, 2005; Weiss, 2013). This IFA was formulated

after years of social dialogue on labour relations between unions and corporate management. It was co-signed by the BSN Group in an attempt to ensure that their ethical behaviour was credible and transparent. This resulted in a series of other agreements being signed. In 1989, the *Plan for Economic and Social Information in Companies* of the (then) BSN Group and an *Action Programme for the Promotion of Equality of Men and Women at the Workplace* were signed (Weiss, 2013). Thereafter, the *Agreement on Skills Training* was concluded in 1992, followed by the IFA called the *IUF/BSN Joint Declaration on Trade Union Rights*, in 1994. Another, very detailed, agreement was signed in 1997, the *Joint Understanding in the Event of Changes in Business Activities Affecting Employment or Working Conditions* (Hammer, 2005).

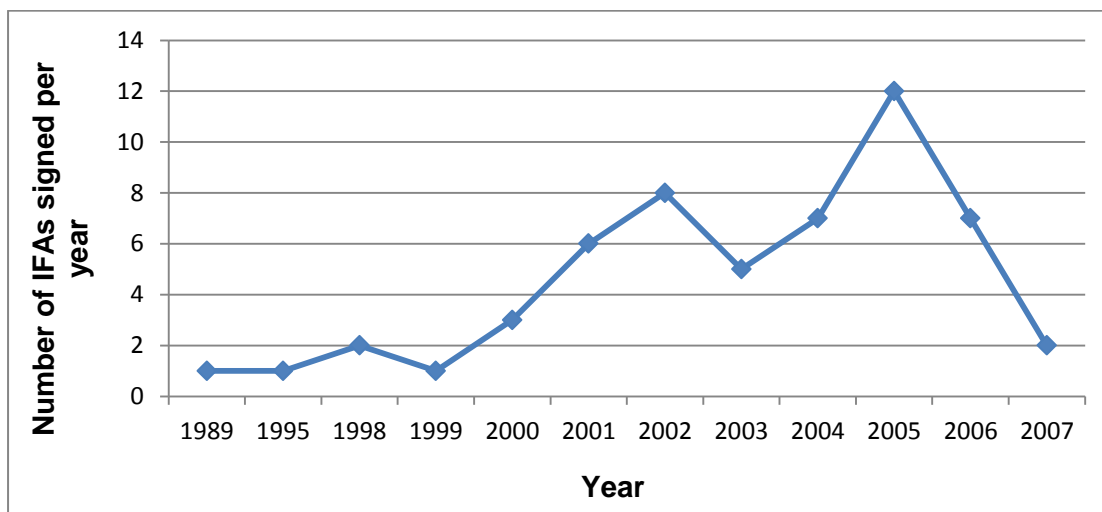


Figure 1: Number of IFAs signed per year from 1989 to 2007.

During the remainder of the 1990s, several other IFAs were signed. The IUF signed an agreement with Accor in 1995. The International Federation of Building and Wood Workers (IFBWW) signed one with IKEA in 1998, and Faber-Castell in 1999, followed by the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) with Statoil in 1998. Between 2000 and 2007, nearly 50 IFAs were negotiated (Sobczak, 2007). By June 2005, the International Metalworkers' Federation (IMF) had signed 11 IFAs, while the ICEM had concluded ten agreements. The IFBWW negotiated seven, and the IUF and Union Network International (UNI) each signed five IFAs. Fichter, Sydow, and Volynets (2007)

pointed out that, since May 2007, 53 IFAs were negotiated and signed, which cover nearly four million employees (see Figure 1). From the work of Zimmer (2008), the present researcher identified 66 IFAs signed since June 2008, most of which were signed after 2000 (see Table 4 for a list of existing IFAs).

The majority of these IFAs were signed with companies headquartered in Europe (Sobczak, 2007). Fichter, Sydow, and Volynets (2007, p. 6) pointed out that (as at 2007), “outside of the EU, no Japanese or Korean TNC has an IFA, and the only US-based TNC is Chiquita, whose agreement does not cover its domestic operations in the US.” However, the Global Union (2009) pointed out that, during the second half of 2008, some British, Japanese, and Brazilian companies signed an IFA; however, none of these have been reported on yet (and are therefore not included in Figure 2). Fichter, Sydow, and Volynets (2007) noted that no MNCs that are based in the UK had signed an IFA before 2007, despite the fact that some of them did have European work councils (EWCs).

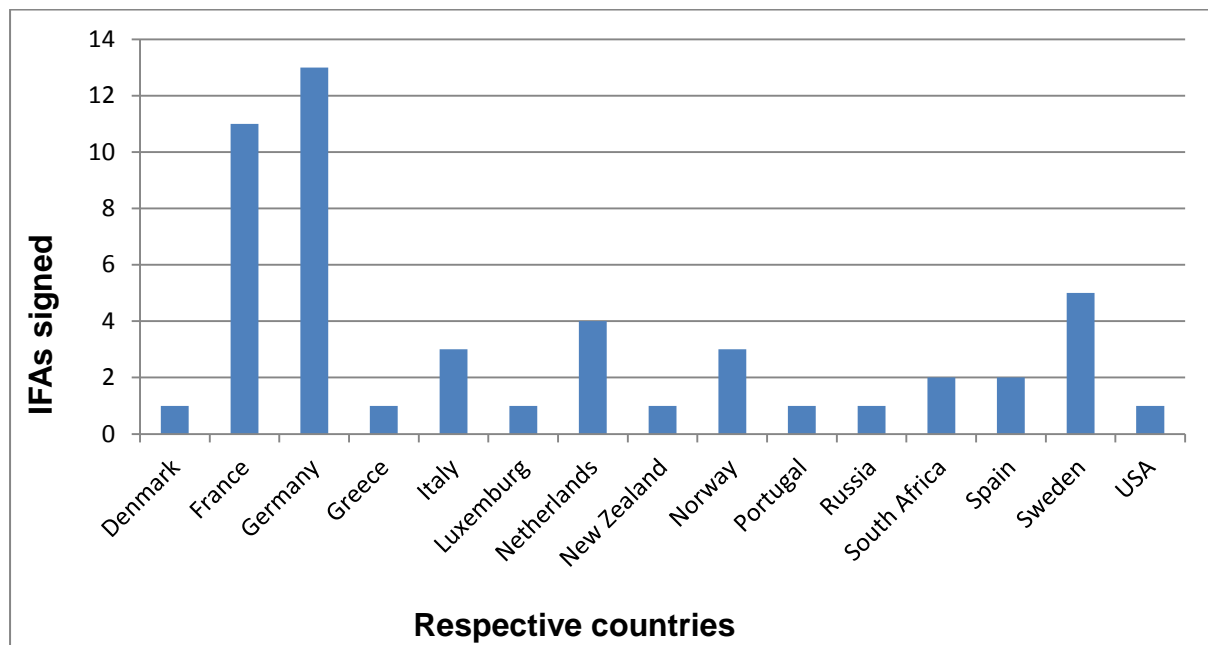


Figure 2: Number of IFAs signed per country from 1989 to 2007.

The IUF signed the first agreements with Danone and Accor, followed by seven others. In total, the IUF concluded nine agreements, but after 2004, no new agreements have been signed. HoweverThe IMF signed the most IFAs; by 2009

they had concluded 19 such agreements (Telljohann et al., 2009). All ten existing GUFs, apart from Education International and the International Transport Workers' Federation (ITF), have signed at least one IFA, whereas three IFAs were co-signed by more than one GUF.

Fifty per cent of all IFAs signed were with German and French companies, and Danone alone signed almost one third of all French IFAs (Sobczak, 2007). Of the few non-European IFAs negotiated, two companies are headquartered in South Africa (Anglogold and Nampak) and one each in Russia, New Zealand, Australia, Canada, and the United States of America (Sobczak, 2007). The size of companies that signed these agreements ranges from 4000 employees (Ballast Nedam and Prym) to more than 300 000 (Carrefour, DaimlerChrysler, and Volkswagen). The difference in “company size and sector highlight the challenges faced by labour organisations if they are to organise, implement and monitor such agreements, as well as the potential of extending framework agreements along global supply chains” (Telljohann et al., 2009, p. 513).

Table 4

List of International Framework Agreements Signed by Year and Industry

| | MNC/TNC | Headquarters | Industry/Sector | Date of IFA |
|----|---------------------------|---------------------|--|--------------------|
| 1 | Danone | France | Dairy Products | May 1989 |
| 2 | Accor | France | Lodging | June 1995 |
| 3 | IKEA | Sweden | Home Furnishings and Housewares Retail | May 1998 |
| 4 | Statoil | Norway | Oil & Gas Refining, Marketing & Distribution | July 1998 |
| 5 | Faber-Castell | Germany | Office, School and Art Supplies | Nov 1999 |
| 6 | Hochtief | Germany | Construction | March 2000 |
| 7 | Ballast Nedam | Netherlands | Construction | March 2000 |
| 8 | Freudenberg | Germany | Automotive; Energy; Manufacturing | July 2000 |
| 9 | Skanska | Sweden | Commercial and Heavy Construction | Feb 2001 |
| 10 | Telefónica | Spain | Telecommunication Services | March 2001 |
| 11 | Carrefour | France | Grocery Retail | May 2001 |
| 12 | OTE | Greece | Telecommunication Services | June 2001 |
| 13 | Chiquita | USA | Fresh Fruit & Vegetable Production | June 2001 |
| 14 | Indesit Company (Merloni) | Italy | Appliances | Dec 2001 |
| 15 | Endesa | Spain | Electric Utilities | Jan 2002 |
| 16 | Fonterra | New Zealand | Dairy Products | April 2002 |
| 17 | Volkswagen | Germany | Auto Manufacturing | June 2002 |
| 18 | Norske Skog | Norway | Paper & Paper Product Manufacturing | June 2002 |
| 19 | DaimlerChrysler | Germany | Auto Manufacturing | Sept 2002 |
| 20 | AngloGold | South Africa | Precious Metals Mining & Processing | Sept 2002 |



| | | | | |
|----|-----------------------|--------------|---|----------------------|
| 21 | Leoni | Germany | Wire & Cable Manufacturing | Oct 2002 |
| 22 | Eni | Italy | Energy & Utilities | Nov 2002 |
| 23 | ISS | Denmark | Commercial Cleaning & Facilities Mgmt. Services | May 2003 |
| 24 | SKF | Sweden | Industrial Machinery & Equipment Manufacturing | Nov 2003 |
| 25 | GEA | Germany | Process & Thermal Engineering | June 2003 |
| 26 | Rheinmetall | Germany | Auto Parts Manufacturing | Oct 2003 |
| 27 | Prym | Germany | Engineering | Nov 2003 |
| 28 | H&M | Sweden | Apparel & Accessories Retail | Jan 2004 |
| 29 | Club Méditerranée | France | Travel Agencies & Services; Lodging | Feb 2004 |
| 30 | Bosch | Germany | Auto Parts Manufacturing | March 2004 |
| 31 | SCA | Sweden | Paper & Paper Product Manufacturing | April 2004 |
| 32 | Lukoil | Russia | Energy & Utilities | May 2004 |
| 33 | Renault | France | Auto Manufacturing | Oct 2004 |
| 34 | Impregilo | Italy | Commercial & Heavy Construction | Nov 2004 |
| 35 | Electricité de France | France | Electric Utilities | Jan 2005 |
| 36 | Rhodia | France | Chemicals & Pharmaceuticals | Jan 2005 |
| 37 | Veidekke | Norway | Construction | March 2005 |
| 38 | BMW | Germany | Auto Manufacturing | April 2005 |
| 39 | EDF | France | Energy | 2005 |
| 40 | EADS | Netherlands | Aerospace & Defence | 2005 |
| 41 | Roechling | | Auto & supply | 2005 |
| 42 | Schwan Stabilo | Germany | Writing, Drawing, Painting Materials, Cosmetics | 2005 |
| 43 | UPU | | Postal Services | 2005 |
| 44 | Falck | | Security | 2005 |
| 45 | Lafarge | France | Construction Materials | 2005 |
| 46 | Arcelor | Luxemburg | Steel | 2005 |
| 47 | Nampak | South Africa | Packaging | 2006 |
| 48 | Portugal Telecom | Portugal | Telecommunication | 2006 |
| 49 | PSA Peugeot Citroën | France | Automotive | 2006 |
| 50 | Royal BAM Group | Netherlands | Construction | 2006 |
| 51 | Euradius | Netherlands | Graphics Media | 2006 |
| 52 | Securitas | | Security | 2006 |
| 53 | Staedler | Germany | Writing and drafting instruments | 2006 |
| 54 | France Telecom | France | Telecommunication | 2007 |
| 55 | Volker Wessels | | Construction | 2007 2008 2008 |

Source: Adapted from Hammer (2005).

These agreements were negotiated between MNCs and international trade union federations, in an attempt to define labour standards for workers in subsidiaries and, in most cases, with subcontractors as well (Sobczak, 2007). It is clear that very few IFA have been signed in countries outside of Europe (for reasons unknown). It would seem that unions from other countries have been reluctant to make use of this tool (Fichter, Sydow, & Volynets, 2007). This can be harmful to the validity and acceptance of IFAs in those countries, and may lead to questioning of the strategic direction and relevance of the international trade union movement.

6.5 THE EMERGENCE OF IFAs

The emergence of IFAs has gained considerable attention over the past 15 years, and can be explained by the interaction of a variety of political and economic contexts (Telljohann et al., 2009). Within the framework of globalisation, unions, together with GUFs and, at that time, developing EWCs, found a new space within which to bargain with MNCs about transnational challenges (Wills, 2002). These consultations led to about 14 IFAs being signed by 2002, by unions and senior management of MNCs. All these agreements address issues such as fair pay, working hours, child labour, discriminatory practices, health and safety, and the environment (Wills, 2002; Hammer, 2005; Fichter, Sydow, & Volynets, 2007). Furthermore, these agreements dictate the monitoring of business practices, and unions play a role in this process (Wills, 2002; Hammer, 2005).

During the last few years, IFAs have emerged as a “new tool of regulation within transnational companies” (Telljohann et al., 2009, p. 507). According to Hammer (2005), the 1990s should be seen as a critical turning point in transnational labour strategy. Along with a developing innovative global economy, labour progressively reinstated itself as a player, and started to outline new methods and approaches, and established bodies to govern transnational labour relations. Hammer (2005) pointed out some examples of how this was achieved, such as the fact that it succeeded in taking some of the ‘CSR terrain’ through its contribution in formulating codes of corporate conduct. Secondly, labour encouraged trade unions to launch several structures in MNCs, and, in doing so, set the basis for continuous transnational union collaboration (Rüb, 2002). Thirdly, and related to both previous advances, was the emergence of IFAs. IFAs “bind fragmented structures and practices at the level of international organisations and MNCs into an interesting governance structure” (Hammer, 2005, p. 514).

Regarding the emergence of IFAs, Fichter, Sydow, and Volynets (2007) stated that this was as a result of the shortfalls of global governance with regard to labour and employments relations, together with the increasing importance that MNCs attach to

CSR. With regard to CSR, some global companies responded with their own, unique set of voluntary initiatives and codes of conduct, together with various monitoring initiatives (Fichter, Sydow, & Volynets, 2007). Trade unions are not the biggest supporters of such voluntary initiatives, and do not believe it can be monitored properly. On the other hand, organised labour supports the more binding agreements negotiated and signed. According to Fichter, Sydow, and Volynets (2007, p. 5), a GUF “promotes the use of company agreements such as IFAs that is negotiated between TNCs headquarters management and the responsible GUF to monitor working conditions at the workplace.”

One mechanism to secure workers’ rights that appears to overcome some of the challenges of codes of conduct is an IFA (Riisgaard, 2005). Where GUFs have enough power and the necessary networks of communication with senior management in MNCs, they can negotiate agreements that extend codes of conduct. As Wills (2002) stated, “rather than statements of good intent, International Framework Agreements allow the unions a role in establishing the terms of good conduct and in monitoring developments on the ground.” Because IFAs recognise GUFs and other union bodies, they are protected by unionists as a symbol of practical social dialogue and relationships on an international level (Weiss, 2013). This is a condition required for developing a legal framework on labour standards, and provides an incentive to achieve the goal of healthy transnational labour relations (Fichter, Sydow, & Volynets, 2007; Telljohann et al., 2009).

The transnationalisation of labour relations and the acceptance of EWCs played a significant role in the emergence of IFAs (Telljohann et al., 2009). In order to respond to the challenges of globalisation, social actors should formulate a multi-level approach, rather than simply assuming the international level is becoming more significant than the regional or national in a global economy (Wills, 2002). Wills (2002, p. 677) argued that IFAs are an exceptional method to “defend and advance workers’ rights in the global economy while also allowing trade unions to develop a sophisticated multi-scalar response to the challenge of globalisation.” There is no current research focussing on exactly why only European MNC management is more

prone to signing IFAs than those in other countries (Fichter, Sydow, & Volynets, 2007).

6.5.1 Advantages of IFAs

Organisations need a trustworthy reputation, and have to ensure they have the support of their employees, customers, investors, and stakeholders (Fichter, Sydow, & Volynets, 2007). Taking their CSR seriously has a considerable impact on how they are perceived by all stakeholders (including the community), and institutionalising approaches to fostering this CSR will help companies to avoid potential pitfalls. One such approach is implementing an IFA, which might serve as an alarm system, warning companies of social unrest.

Most companies with “good internal communications, a well-developed culture of employee relations and dialogue within formalised labour structures” (which is the majority of European TNCs) are headquartered in countries with highly institutionalised systems of labour relations (Fichter, Sydow, & Volynets, 2007, p. 8). These companies have most likely committed themselves to CSR by implementing different policies and procedures, mainly in the form of a code of conduct. For these companies, signing an IFA meant recognising their previously existing CSR, and incorporating that into the IFA. In many instances, codes of conduct, and sometimes even labour laws, are ignored. IFAs address this issue, as they are negotiated between social partners; thus, there is collective ownership, increasing the chances of commitment (Sobczak, 2007). This feeling of collective ownership also involves local workers and enables them to enjoy the impact of the agreement.

Riisgaard (2005) argued that IFAs reveals a hopeful way to protect and improve workers’ rights within MNCs, which, in turn, creates space for union organising, collective bargaining, and social dialogue. IFAs should be positioned at the harsh end of transnational labour relations’ organising and campaigning. Their strategic advantage lies in “focussing on voluntary standards (codes of conduct, company bargaining) and multilateral legislative (in the ILO) approaches to labour rights, as well as different levels, structures and forms of action of the labour movement” (Hammer, 2005, p. 514). IFAs confront the criticised limitations of the codes of

conduct by using social dialogue, while at the same time permitting trade unions to focus their attention on organising, campaigning, and negotiating with MNCs.

IFAs can be seen as a lever for better local organising activities, forming associations, and, more generally, for demanding the rights promised by the agreement (Riisgaard, 2005). By this means it also demonstrates the significance of ownership of and commitment to the agreement. Telljohann et al. (2009) postulated that, when used strategically, IFAs would probably contribute to the improvement of transnational labour relations at company level, as well as facilitate trade union organising activities in the long run. However, since there were such a small number (less than 150) of IFAs during that time (2009), the authors argued that IFAs' "contribution to the internationalisation of industrial relations" has remained limited (Telljohann et al., 2009).

According to Fichter, Sydow, and Volynets (2007), various companies highlighted the fact that, after signing IFAs, they established better working relationships with unions. IFAs give worker representatives and trade unions a voice, which creates the opportunity to close the gaps between the regional, national, and global contexts in which MNCs operate (Telljohann et al., 2009). Fichter, Sydow, and Volynets (2007) also mentioned that unions view IFAs a method to increase membership, even if it is just through stopping membership decline, thus enhancing the power of unions to establish labour standards.

Fichter, Sydow, and Volynets (2007, p. 7) stated that IFAs can also be "a useful tool of risk management, providing TNCs with more intelligence as regards of potential labour related problems in its economic activities and also in its supply chains or networks." IFAs operate as an alerting system, warning MNCs about identified problems and violations before they become public. IFAs can also contribute to "answering the often real threat of moving production to further exploit differences in labour costs" (Riisgaard, 2005). Fichter, Sydow, and Volynets (2007, p. 8) pointed out an argument in favour of IFAs: that "workers [are] treated fairly are more productive."

Sobczak (2007) pointed out an interesting action by some companies — in order to improve the effectiveness of their IFAs, they devoted some attention to the translation of texts into the local languages, and some even provide special training on the content of the agreement. Some probable outcomes of IFAs include the advancement of social dialogue and collaboration, the improvement of mutual trust, and new potential for conflict resolution (Telljohann et al., 2009). Sobczak (2007) argued that IFAs have the potential to add value to the establishment of a successful social regulation system within transnational groups and global supply chains, which are currently being inadequately regulated by transnational labour law standards.

6.6 THE SCOPE OF IFAs

Considering the significant increase in IFAs, it is important to set out a definition of what constitutes an IFA. The IUF–Danone agreement set the benchmark, as it clearly refers to the ILO conventions (Hammer, 2005). This agreement is still today seen as a model of an inclusive IFA.

According to GUFs, the minimum requirements of an IFA are contained in six criteria, namely the global reach of the agreement, references to the ILO conventions, extension to suppliers, a GUF as a signatory, trade union involvement in the implementation, and the right to bring complaints (Hammer, 2005; Nilsson, 2002; Fichter, Sydow, & Volynets, 2007). Fichter, Sydow, and Volynets (2007, pp. 10-11) used previous research, together with the 53 IFAs that were in existence in 2007, to develop the following ten categories as useful and relevant when compiling an IFA:

1. ILO Core Labour Standards
2. Inclusion of other ILO Standards
3. Reference to other international agreements
4. Range of topics
5. Notification and publication of the IFA
6. Regulation of union involvement
7. Duration of the agreement
8. Monitoring

9. Dispute resolution

10. Compliance by suppliers and sub-contractors

Through the above, IFAs create a platform for transnational labour relations by defining GUFs as valid bargaining partners (Hammer, 2005; Weiss, 2013). It is clear that an IFA should cover more than traditional codes of conduct, as they are not simply independent declarations, but hold obligations, even though these are not legally enforceable. In addition, they should deal with government failure by “setting global minimum standards and by getting MNCs to accept responsibility for their labour rights situation” (Hammer, 2005, p. 518).

Labour is one of the leading players in the implementation of and regular monitoring of adherence to an IFA. IFAs typically obligate MNCs to comply with the core labour standards stipulated in the *1998 ILO Declaration on Fundamental Principles and Rights at Work*, consisting of ILO Conventions 29, 87, 98, 100, 105, 111, 138, and 182 (Weiss, 2013). The International Labour Conference regards these principles as essential, and assumes that all ILO members are bound by them. This converts global unions into bargaining parties within MNCs, and makes them part of a voluntary enforcement mechanism (Hammer, 2005).

6.6.1 The Rights Conferred by IFAs

The rights conferred by IFAs are much more clear-cut and comprehensive when compared to those of codes of conduct (Sobczak, 2007). IFAs contain provisions on the four fundamental social rights: (1) the prohibition of forced labour (2) the prohibition of child labour (3) the prohibition of discrimination (4) the right to freedom of association (Sobczak, 2007). Through analysing the content of different existing IFAs, Sobczak (2007, p. 476) revealed three different types of IFA: “IFAs that focus on one particular issue, IFAs that refer to fundamental social rights, and IFAs that include also provisions on working and employment conditions as well as on the implementation of the text.”

All IFAs refer to the ILO conventions of social standards, as this is one the criteria to qualify as an IFA (Hammer, 2005; Nilsson, 2002; Fichter, Sydow, & Volynets, 2007),

and assures that the standards contained are valid and not frowned upon (Sobczak, 2007). Several IFAs include provisions on other issues, issues related to working conditions and employment, such as health and safety (Fichter, Sydow, & Volynets, 2007; Sobczak, 2007). Some IFAs even include standards that extend the scope of labour law, and contain other social issues related to the effects of business activities on the “living conditions of workers, their families or even the citizens in general” (Sobczak, 2007, p. 474).

6.6.2 The main features of IFAs

Hammer (2005, p. 514) summarised some of the main functions of IFAs when he argued that these agreements:

- i. Form GUFs, World Work Councils, EWCs, and other regional and national trade union structures into labour relations actors at an international level;
- ii. Allow company-level agreements to cover more suppliers in the global supply chain; and
- iii. Bind company-level agreements on core labour rights to traditional social dialogue, referring to multifaceted tools such as “the ILO Tripartite Declaration, the principles of the UN Global Compact and the revised OECD Guidelines” for MNCs.

6.7 THE SCOPE OF APPLICATION OF IFAs

Associated with the effects of globalisation, Sobczak (2007) identified three major challenges of social regulation through traditional labour law:

- the limited scope of application of labour law (generally nationally orientated, whereas labour relations are increasingly international);
- the requisite of social regulation including matters that are not directly linked to working situations and relate to much more comprehensive social or environmental aspects; and
- the gap between the global development of enforceable agreements and the actual implementation of these provisions in companies.

In this era of globalisation, IFAs have the potential to overcome these challenges and “contribute to an effective social regulation within international groups and supply chains” by supplementing global labour law standards without replacing them (Sobczak, 2007, p. 469). To determine the scope of this potential, the following section analyses IFAs’ scope of application and the rights conferred by IFAs.

In order to assess the effect of a legal standard, it is critical to first define its scope of application. The potential of IFAs relies on their capability to move beyond “current legal standards and collective agreements that are already compulsory for companies” (Sobczak, 2007, p. 470). As mentioned previously, IFAs stipulate the minimum social standards that need to be applied throughout multinational companies, yet these agreements contain provisions that also cover suppliers’ employment practices. These minimum standards include “not only core labour standards, but also other relevant issues such as health and safety, skills developments, wages and working time” (Fichter, Sydow, & Volynets, 2007).

It is important to note that “the scope of regulatory content and procedures in an IFA differs markedly from one IFA to the next,” even if multiple IFAs are negotiated by the same GUF (Fichter, Sydow, & Volynets, 2007, p. 9). The first IFA of the IUF contained a formulation of a general trade union understanding that is shared by all their approaches (IUF, 2006, p.2):

To provide space within the specific global company’s operations for unions to organize freely and for workers to exercise their rights within the company free of any form of obstruction — particularly the right to form or join a union.

To organise freely means the free and unrestricted exercising of freedom of association, which is the main goal of IFAs for labour (Fichter, Sydow, & Volynets, 2007). Telljohann et al. (2009) maintained that, for an IFA to be entered into, various company- or sector-specific conditions should be established. In the past, arbitration of IFAs was generally reflected in the signatories and, more importantly, in their procedural provisions (Hammer, 2005). Signatories are the GUF and a national headquarter union, the EWC, or the World Work Council.

The IFAs of some companies (Bosch, Club Med, GEA, Leoni, Rheinmetall, SCA, and Skanska) incorporate the relevant EWC or an equivalent European structure into the monitoring process, whereas other agreements include a specific GUF, often in coalition with the trade union from national headquarters. Lately, however, a few agreements have not included a GUF as signatory, such as those of Air France, CSA Czes Airlines, Ford Europe, General Motors Europe, Suez, Triumph International, and Vivendi/Veolia (Hammer, 2005). This raises the question: How many ways exist to an IFA? There are undoubtedly different recognised platforms and arrangements in the negotiation process. Similarly, reliant on the business and the sector, there are different forms of CSR governance, for example, codes of conduct or other obligations that precede IFAs (Hammer, 2005).

Many IFAs do not increase the rights of workers who had signed a contract of employment, as they are already protected by labour law (Sobczak, 2007). Nevertheless, IFAs add value for “workers in subsidiaries and subcontracting companies,” as the signing of such an agreement proves that the company accepts the responsibility to defend the workers’ rights (Sobczak, 2007, p. 470). Thus, it can be said that the scope of application of some IFAs moves beyond the MNC by including sub-contractors (Telljohann et al., 2009; Fichter, Sydow, & Volynets, 2007). Wills (2002), in his article on bargaining space in the global economy, mentioned that IFAs and the surrounding activities will only benefit workers employed directly by MNCs, unless the agreement clearly states that it extends to subcontractors. Usually, IFAs state whether the standards contained therein apply to the entire group or only specific parties. For example, the BMW Group’s IFA, signed in 2005, states: “The goals and principles of implementation set out in this joint declaration apply for the BMW Group worldwide” (Sobczak, 2007, p. 470).

Stakeholders should use IFAs optimistically, and not be limited by the traditional sense of the definition; even though there is not one specific way to negotiate such an agreement, due to their global character of these agreements. In the end, trade union collaboration through the global supply chain can only be effective if it is global. In this regard, Hammer (2005) pointed out that GUFs should be given a principal role in the process and Southern unions should be integrated to improve

representation and to link different positions (North and South) within the labour movement. If developments on national or regional platforms can be protracted to a global level, it is important to distinguish what process to follow, as well as who the representatives will be.

It has been indicated that a shared element of IFAs is the inclusion of basic labour rights, also termed *fundamental rights*. These rights have always been the main focus, and, as such, the GUFs “have decided not to sign such an agreement if it does not explicitly recognise the core labour standards contained in the Declaration on Fundamental Principles and Rights at Work, adopted by the ILO in 1998.” A number of IFAs contain minimum standards of employment, such as working time, wages, and health and safety, whereas others explicitly address solitary issues, for example, Arcelor-Mittal’s IFA, which focuses only on health and safety, and Danone’s IFA, which directs attention to labour relations procedures (Telljohann et al., 2009; Sobczak, 2007).

6.8 IMPLEMENTATION: MONITORING AND DISPUTE RESOLUTION OF IFAs WITHIN MNCs

In contrast to codes of conduct, most IFAs include detailed requirements on their implementation procedures; yet, implementation is important in both instances (Sobczak, 2007). According to Fichter, Sydow, and Volynets (2007, p. 12), the following elements all contribute to ensuring effective implementation of IFAs: “different institutional and legal frameworks, business cultures and attitudes, intra-organisational structures, the role of local management, subcontractors, and suppliers as well as issues of union involvement and resources.” Most IFAs include some form of enforcement mechanisms, but these mechanisms are restricted to grievance procedures, which are controlled by joint review bodies (Fichter, Sydow, & Volynets, 2007). Thus, it is possible to monitor the implementation of such agreements.

6.8.1 Monitoring

Monitoring is a starting point for successful implementation, and, therefore, it can be seen as the most vital part of the whole IFA approach to labour regulation. Müller and Rüb (2005) identified the following three simple methods with regard to monitoring IFAs within companies: the incorporation of monitoring into the company's management procedures, monitoring directed solely through unions, and lastly a more reactive 'wait-and-react' approach. Besides these three methods, monitoring can also be achieved through the use of existing representation structures, such as EWCs (Fichter, Sydow, & Volynets, 2007). Although the success of teamwork between EWCs and unions remains debateable with regard to organised labour, research has shown that, in general, teamwork led to positive experiences (Fichter, Sydow, & Volynets, 2007).

Fichter, Sydow, and Volynets (2007) pointed out that, from labour's point of view, monitoring conducted by unions is the most effective. They provided the example of Union Network Internationals (2005, p. 12), who stated that "the key to agreements [IFAs] is the feedback from workers and their national unions to us — supplemented by regular meetings at a global level." The existence of a local union is seen as a pre-condition for successful implementation, yet, is also, at times, seen as the intended result (Müller & Rüb, 2005). Local unions require the GUF to track and follow up on reported violations, in the interest of effective implementation of IFAs (Fichter, Sydow, & Volynets, 2007). There are some useful and practical approaches for the establishment of effective monitoring and verification mechanisms of IFAs (Telljohann et al., 2009; Weiss, 2013). These are:

- i. subcontracting the application and monitoring process to external agencies, such as accreditation and auditing companies;
- ii. participation by external agencies in helping with the monitoring of extensively distributed supplier networks (if physical procedures on the process of monitoring have been agreed upon beforehand);
- iii. monitoring by workers themselves, through their trade unions (independent monitoring); and

- iv. independent monitoring with the involvement of GUFs in determining the monitoring rules and procedures (GUFs should also be continuously informed and consulted during this process).

In order to utilise monitoring mechanisms of IFAs, some companies set up shared management–trade union communication platforms within single companies (Telljohann et al., 2009). This strategy requires the formation of reference- or monitoring groups, which usually consist of “at least one representative of the trade union and/or of the company level employee representation structure in the company’s home country,” and no less than one representative from senior management (Telljohann et al., 2009, p. 516; Rüb, 2006). These groups meet at least annually to exchange observations on the management system and identified standards, as well as on compliance with and violations of the agreement (Hellmann, 2007; Telljohann et al., 2009; Riisgaard, 2005; Sobczak, 2007). In some instances, these monitoring groups arrange joint factory inspections on the contractors’ sites (Telljohann et al., 2009). Some IFAs contain detailed provisions on these meetings, which can include statements about what documents should be observed beforehand, how much time should be set aside for meetings, or information about the budget of such meetings (Sobczak, 2007).

In addition, GUFs have also established their own monitoring approach, depending on the activities of their national partners (Rüb, 2006), relying on two main elements, namely organising campaigns and the “organisation of training programmes for national and local trade unionists” (Telljohann et al., 2009, p. 516). Organising campaigns strengthen trade unions’ role in MNCs and their contractors, and training helps them to attain the necessary competence to effectively monitor compliance with the IFA (Telljohann et al., 2009). IFAs also play an important role in ensuring GUFs attain a better understanding of the international processes of certain companies, and, adding to this benefit, they can take action on any identified violations of human rights in the workplace (Wills, 2002).

Certain GUFs handle implementation procedures of agreements weekly, preferring more informal discussions with responsible company managers (Fichter, Sydow, & Volynets, 2007). These are normally confidential, and exclude other stakeholders as

they believe it ensures that ‘less noise’ contributes to better working conditions. On the other hand it can also be argued that generally the enforcement of IFAs is “only realistically possible through the full involvement of company management channels, local union support and the activities of outside whistle-blowers” (Fichter, Sydow, & Volynets, 2007, p. 12).

As mentioned, IFAs stipulations include the monitoring of these agreements, and, in many cases, EWCs are crucial to this process of evaluation. Even when EWCs have not co-signed an IFA, they are usually still involved in the monitoring process (Telljohann et al., 2009). Some IFAs also include different monitoring tools, such as managers and trade unions inspecting company operations and arranging consultation to identify and avoid violations of the agreement (Wills, 2002). For a complete system that monitors and proves compliance, there should be a mechanism that is able to handle complaints and ensure enforceability (Fichter, Sydow, & Volynets, 2007). This is a complex legal matter, because of the multiple dimensions of IFAs. In this regard, Fichter, Sydow, and Volynets (2007, p. 12) stated: “There is no international legal framework on industrial relations; there are also no adequate international law enforcement agencies with the appropriate jurisdiction.”

6.8.2 Dispute resolution

Disputes within the jurisdiction of an IFA are dealt with along the hierarchy of transnational labour relations structures (Hammer, 2005; Sobczak, 2007). If local disputes cannot be resolved, the party involved can consult other structures across borders, and suppliers can even lose contracts in the case of non-compliance with the terms of the IFA (Hammer, 2005). Sobczak (2007) elaborated on this dispute resolution process. If disputes cannot be resolved at a local level, the employee or union can communicate with the national union, who will refer it to the national headquarters. If the matter is still cannot be resolved, the IFA signatory parties will address the conflict. Again, this multi-level approach is an advantage, as it involves all stakeholders in the process. A clear example of this dispute resolution procedure is stated in the Veidekke IFA, signed in 2005 (Sobczak, 2007, p. 478):

In the event of a complaint or an infringement of the agreement the following procedure will normally apply: Firstly, the complaint should be raised with the local site management. If the complaint is not resolved with local management, it should be referred to the appropriate national union who will raise the issue with the company's regional president. If still unresolved, the complaint will be referred to the IFBWW Geneva office, which will raise the matter with the company's Corporate Management.

Some IFAs state that any employee has the right to raise a grievance in order to address problems regarding agreed principles being challenged. However, Hammer (2005) postulated that, if anyone is able to voice opinions, it will tailor the monitoring to the will of the signatories. Trade unions have the right, which they are guaranteed in all agreements, to raise grievances and to be involved in the monitoring of adherence to IFAs (Hammer, 2005). However, there are differences between agreements. Various agreements have a subsidiarity principle, stating that the preference should be to “discuss and solve matters at local level before referring them to headquarter management and the relevant GUF” (Hammer, 2005, p. 524; Riisgaard, 2005). This method is dependent on the specific situation, and should be analysed accordingly, depending on the frequency of IFA meetings, together with the EWC or World Work Council meeting.

The fact that IFAs include procedures on implementation and monitoring has proven to make them more effective. However, in order to evaluate the effectiveness of IFAs, it is important to have comprehensive information about the current social regulation methods (Sobczak, 2007). With regard to responsibility and management, social partners can be held accountable for the establishment and monitoring of compliance with IFAs (Sobczak, 2007). The proof of success when evaluating IFAs is in the application (Riisgaard, 2005). Sobczak (2007) added that the success of an IFA is reliant on the content and in the conciliation process. The success of these agreements will ultimately be measured by the degree to which unionisation at the supplier and its subcontractors advances, and to what extent the living- and working conditions of workers improved (Riisgaard, 2005).

6.8.3 The legal aspects IFAs negotiated between MNCs and GUFs

As with any type of contract or agreement, the IFA has some legal risks one might face when there are violations of commitments specified in the agreement. Most IFAs contains special dispute settlement mechanisms that stipulate the outcome of a violation; however, these mechanisms do not involve courts (Sobczak, 2007; Weiss, 2013). When implementing an IFA, all parties should have a mutual interest in signing the agreement and ensuring its compliance, otherwise IFAs' credibility in general may be weakened (Sobczak, 2007). According to Sobczak (2007, p. 487), a legal framework for "transnational collective bargaining would contribute to a higher legal security," which, ideally, should be accepted internationally. Potential conflict between signatories is another concern in the case of non-compliance (Sobczak, 2007; Hammer, 2005).

6.9 TRADE UNION CAPACITY AND IFAs

Globalisation signifies a movement of capitalism (to a new geographic scale) challenging national trade unions (Anner et al., 2006; Hammer, 2005). As stated, global competition, more than ever, is destabilising union power by eroding their control over labour market competition. As a means of reacting to this threat, unions co-operate across national boundaries (Anner et al., 2006). With the intention of achieving more self-regulation and participation in MNCs, "GUFs extended their approach vis-à-vis TNCs to include the establishment of transnational structures — such as Global Union Networks and World Works Councils — and the definition of norms and rules through IFAs" (Telljohann et al., 2009, p. 513).

In a study conducted by Wills (2002), *Bargaining for the space to organise in the global economy*, he argued that there are genuine opportunities for international trade union to form alliances with other social movements. This may nurture transnational networks between workers, consumers, and arbitrators, as well as open engagement with international employers to bargain on behalf of workers. Anner et al. (2006) pointed out that competitive pressures are not the sole elements influencing labour transnationalism; opportunities also play a vital role. These can be political opportunities, for example, "a set of signals that make new kinds of action

plausible to actors, including the opening of access to power, shifting of alignments, availability of influential allies, and cleavages among elites” (Anner et al., 2006, p. 10).

Telljohann et al. (2009, p. 515) made an important observation by pointing out that there has been a shift over the last few years from a quantitative strategy that attempted to finalise as many IFAs as possible, to a more qualitative strategy that focuses their attention more to the “effective implementation and enforcement of the agreements.” During the 1990s, most GUFs saw IFAs as a way itself to create a group of IFAs as the solution to pressurise hesitant companies and global governance institutions into adopting mandatory guidelines. Over time, the qualitative facets have become more important, and this might be the reason for fewer IFAs being entered into nowadays, and maybe even fewer in the future. Nevertheless, trade union members have the prospect of building on current relationships with MNCs, to create a more tangible and meaningful system of trade union internationalism through IFAs (Wills, 2002).

When developing and implementing IFAs, trade unions play an important role, and have the following four intertwined strategic objectives (Telljohann et al., 2009; Rüb, 2006):

1. the establishment of minimum social standards in all the MNCs’ operations worldwide, including their suppliers and subcontractors;
2. the development of a continuing dialogue with management at international and national/local level;
3. supporting trade union organising campaigns in the respective MNCs and their suppliers; and
4. the improvement of international co-operation between trade unions through the establishment of worldwide trade union networks within MNCs.

However, with regard to these four overall objectives, the main concerns of individual GUFs depend on the interplay of various factors, including sector-specific factors, company-specific situations, as well as the internal assemblage of interests between the national partners of each GUF. Sector-specific factors are aspects such as the degree of internationalisation of the MNC and, more specifically, the organisation of

the supply chains. Company-specific situations are: “management’s attitude towards cooperating with trade unions, the interests pursued by management with the conclusion of an IFA, the depth and organisation of the companies’ production and value chain, and the strength of trade unions within the respective company” (Telljohann et al., 2009, p. 514).

In general one can differentiate between two types of GUF approaches to IFAs. The first one perceives IFAs mainly as an organising tool to obtain new members, whereas the second approach views IFAs as ‘living documents’ that are constantly improved upon through practice (Telljohann et al., 2009). Regarding the first approach, the IUF determined that the everyday effect of IFAs in upholding workers’ rights was very limited, and that they were unsuccessful in facilitating the actions of the IUF’s national associates within MNCs. As a result, the IUF decided that subsequent IFAs should go beyond the “ILO Core Conventions’ right to collective bargaining and freedom of association,” by also including detailed requirements (Telljohann et al., 2009) that:

- i. assist trade unions in gaining access to possible members;
- ii. ensure that MNCs do not interfere in the organising activities of trade unions at national or regional level;
- iii. provide effective negotiation, mediation, and conflict resolution processes; and
- iv. provide the IUF and its partners with the resources required for the implementation and monitoring of the IFA.

The development of the national associates’ organising capabilities can also be seen as an important element of the second approach; however, this view is a bit more practical. As mentioned above, they view IFAs more as “living documents” which are constantly improved by actual practice (Telljohann *et al*, 2009). The central focus of an IFA is to establish an enduring channel of communication and a working relationship with the senior management of global companies, and to use this as “the basis for the promotion and improvement of fundamental employee and trade union rights, including the right to organise and to collective bargaining” (Telljohann et al., 2009, p. 515).

While the significance of an IFA mainly hinges on union organising strength at a local level, it is the “inclusiveness in the implementation and monitoring process that guarantees the truly global dimension of IFAs” (Hammer, 2005, p. 525). Generally, freedom of participation at review meetings is supported, even in agreements with wide-ranging procedural provisions. Thus, it is clear that the terms and practical use of IFAs are dependent on the “resources, forms of organising and repertoires of action of trade unions at all levels” (Hammer, 2005, p. 525).

6.10 IFAs AND SUPPLY CHAINS

One of the most significant innovations of IFAs is that they allow trade unions some form of control over the global supply chain, and, in doing so, extend core labour rights beyond national borders (Hammer, 2005; Sobczak, 2007). According to Hammer (2005), MNCs at the end of buyer-driven commodity chains have discovered the advantages of incorporating an IFA into the contractual requirements of contractors and subcontractors, together with all their other responsibilities.

According to Hammer (2005), the specific underlying forces of buyer-driven commodity chains are the reason for many of the monitoring and non-compliance arrangements contained in IFAs. Supplier-orientated codes of conduct are often more complete, inclusive, and detailed than IFAs, such as the H&M and Carrefour IFAs. Nevertheless, it is IFAs that “open the door to supply chain monitoring for trade unions” (Hammer, 2005, p. 526). Suppliers’ obligations are less compulsory in some IFAs. The MNC would usually pledge to encourage its providers to implement similar codes, values, and standards. Such undertakings are regarded as a favourable basis for prospective business relations (Hammer, 2005).

In the world of work, it is critical that continuing violation of fundamental rights is regarded as a ground to terminate business relations and relevant contracts (Sobczak, 2007; Hammer, 2005). This can be seen in the agreement of Ballast Nedam, who clearly stipulated the obligations of the company and the relevant corporations at the different levels of the supply chain (Hammer, 2005, p. 526):

Ballast Nedam acknowledges that it not only bears responsibility for the conditions under which its own employees work but also shares responsibility for the conditions under which the employees of its contractual workers do their work; ... Ballast Nedam requires that its contractual partners shall support this agreement and shall also ensure that it is adhered to by any of their contractual partners who are in any way active in connection with the business activities of Ballast Nedam.

When analysing the various approaches in IFAs it is fascinating to see that trade unions that operate globally generally have an in-depth knowledge of the global supply chain of the MNC (target company).

6.11 LIMITATIONS AND WEAKNESSES OF IFAs

There are some general problems regarding the use of IFAs as tools for instituting labour standards and regulating working conditions in MNCs (Fichter, Sydow, & Volynets, 2007), related to management, unions, the role of NGOs, and activities of home-country unions. Organisational and inter-organisational barriers add to the difficulty of implementing IFAs. From a legal standpoint, the negotiation process of an IFA raises many questions related to the control and power of the involved parties (Sobczak, 2007). In a study conducted by Fichter, Sydow, and Volynets (2007) on the preliminary assessment of existing IFAs their findings revealed:

A very incomplete level of implementation (IMF, 2006) as well as a low level impact of the agreements in terms of securing labour rights and membership growth, both for lack of motivation by TNCs and reluctance on the part of local unions to drive hard use of agreements.

Telljohann et al. (2009) argued that, because the decision to sign an IFA depends on the existence of and interaction between many company-specific features, the potential of IFAs to extend to many non-European countries seems limited. The authors further stated that, “at the global level there is no mechanism for worker representation equivalent to the EWCs to coordinate with and support the strategy of the GUFs” (Telljohann et al., 2009, p. 521). According to Fichter, Sydow, and Volynets (2007), some MNC are reluctant to sign IFAs, because commitments in

terms of the IFA could bring extra costs to the company, unless they are guaranteed that their competitors will bear the same burdens.

For unions who represent companies that recently adopted new strategies for CSR, the lack of legal security remains a problem, and signifies a main challenge (Sobczak, 2007). It is imperative to give feedback to unions, and indicate how their support contributed to the benefit of local-level employees, and to assure them that non-compliance will result in sanctions (Sobczak, 2007; Weiss, 2013). The lack of legal security also constitutes a problem for companies, as those who had signed IFAs may fear court decisions in the case of violations where provisions clearly stated their commitment (Sobczak, 2007).

6.12 INTERNATIONAL FRAMEWORK AGREEMENTS VS CODES OF CONDUCT

An IFA between a trade union and MNCs is an effective method to enforce CSR in the global economy (Wills, 2002). Most codes of conduct validate the right of workers to join unions, but, in reality, the codes do not support unionisation. If violations of codes of conduct of MNCs are identified, trade unions are allowed to use company campaigns; yet, trade unions still have to “act from the outside” in order to defend workers’ rights (Wills, 2002, p. 695). In contrast, IFAs provide trade unions with the power to monitor company behaviour and, as with codes of conduct, act upon any violation of workers’ rights, but during organising campaigns (Weiss, 2013). As such, IFAs can be seen as a much more powerful technique of reinforcing economic justice (Wills, 2002).

IFAs differ from codes of conduct, and other CSR standards. Firstly, Sobczak (2007) pointed out that codes of conduct lack legality in central Europe, since national labour laws are aimed at controlling the individual authority of employers. Secondly, codes of conduct sometimes have a restricted content that does not always make reference to the ILO, but concentrates more on issues of interest to the media, for example, child labour (Sobczak, 2007; Weiss, 2013). Finally, codes of conduct do not necessarily include provisions on their application, and are therefore often considered to be ‘window-dressing’ or “part of the companies’ marketing strategy” (Sobczak, 2007, p. 468).

IFAs appear to be a more appropriate form of social regulation and to provide more assurance on their effectiveness (Sobczak, 2007; Weiss, 2013). Usually, IFAs have a much broader context, and include more detailed content (Sobczak, 2007). Further, IFAs also contain comprehensive provisions on the monitoring and implementation processes (Sobczak, 2007; Weiss, 2013). Evolving from social dialogue, they fit in with the 'European social model,' which is supported by the fact that practically all of the existing IFAs are those of companies situated in Europe, specifically France and Germany.

However, it is important to note that IFAs cannot be viewed as collective agreements, as they exist subject to national labour laws, and still leave several legal questions unanswered. This can cause uncertainty between the social partners and other stakeholders (Sobczak, 2007). IFAs include requirements based on fundamental social rights, such as freedom of association, which are not considered in most codes of conduct (Sobczak, 2007; Weiss, 2013). Codes of conduct do not contain such precise and detailed rights when compared to IFAs. In contrast to codes of conduct most IFAs include detailed requirements on their implementation procedures (Sobczak, 2007).

6.13 CONCLUDING REMARKS

As firms proclaim their support for ethical practices, several GUFs have seized the opportunity to sign IFAs with MNCs (Wills, 2002). These IFAs ensure TNCs' commitment to respecting workers' rights. The development of IFAs is related to two benefits. On the one hand, businesses plan to improve the reliability and validity of their activities and strategies in the field of CSR (Sobczak, 2007). On the other, trade unions are familiar with the fact that such negotiated agreements may supplement the current national and international devices of social regulation that are still unsatisfactory in addressing the challenges of globalisation (Sobczak, 2007; Hammer, 2005).

As mentioned previously, IFAs established a complex transnational labour relations tool, however, it requires involvements from “all stages from negotiation, implementation, monitoring through continuous representation, and at all levels of the labour movement” (Hammer, 2005, p. 511). An IFA is “a new instrument for industrial relations at the global level that instils recognition of social partnership across national borders and yield entirely new forms of social regulation at global level” (Telljohann et al., 2009, p. 521).

IFAs protect and improve workers’ rights within MNCs (Riisgaard, 2005). They also provide a platform that can be used to form coalitions with other social movements to “fight for workers’ rights in the global economy” (Wills, 2002, p. 697). As Riisgaard (2005, p. 730) said, when “seen in relation with the internationalisation of capital and the need for alternative labour strategies, IFAs represent a promising device.” In a fieldwork study conducted by Riisgaard (2005) on these agreements, he argued that IFAs have challenges, yet provide an encouraging way to protect and improve workers’ rights within MNCs, by means of combating competition between workers in different nations and making space for union organising, collective bargaining, and social dialogue.

Endorsing and extending the right to organise by means of a union co-signing an IFA provides a tool to “support local organisations and prevent the violation of workers’ rights” (Wills, 2002, p. 695). In general, MNCs regard IFAs as “a tool for deepening dialogue with employees IOE (2005) in order to ensure industrial peace, enhance the company’s image, and to legitimize their CSR policies through the incorporation of employment issues” (Fichter, Sydow, & Volynets, 2007, p. 20). International labour organisations (for example, GUFs) value IFAs for the acknowledgement by MNCs of the emergence of transnational labour relations. If this is not addressed, these differences, together with a lack of implementation, may challenge the prospect of IFAs becoming a widely accepted tool with which to regulate labour relations across national borders (Fichter, Sydow, & Volynets, 2007).

In a study conducted by Telljohann et al. (2009), they analysed four IFAs, and concluded that most European companies have developed labour relations on an international level. They also showed that IFAs can, in fact, contribute to the

internationalisation of labour relations. Through their scope of application, the rights IFAs confer, coupled with monitoring procedures, have the potential to add to a more effective social regulation within MNCs and their global supply chains (Sobczak, 2007).

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

| | | |
|-----|--|-----|
| 7.1 | SUMMARY OF THE STUDY..... | 127 |
| 7.2 | MAIN RESEARCH FINDINGS..... | 129 |
| 7.3 | RECOMMENDATIONS FOR FUTURE RESEARCH..... | 132 |
| 7.4 | FINAL REMARKS..... | 133 |
| 7.5 | CONCLUSIONS..... | 134 |

7.1 SUMMARY OF THE STUDY

The present study focused on the conceptualisation of IFAs as an instrument with which to regulate transnational labour relations. The purpose of this research was primarily to determine what transnational labour relations are and whether IFAs form part of such a transnational labour relations system. A literature review and document analysis was used as methods to answer the two research questions, namely: *What does the concept of 'transnational labour relations' mean?* and *Do international framework agreements form part of a transnational labour relations system?* Seven objectives were set in order to answer these research questions.

Secondary data were collected through purposive sampling, in order to address the objectives and, ultimately, answer the research questions. The content analysis method was used to analyse these collected documents and draw conclusions from existing data. The qualitative document analysis was explained in relation to quantitative document analysis. Eight steps were presented regarding the way in which the inductive content analysis was conducted. Matters relating to the trustworthiness of the present study, such as reliability and validity, were also addressed. The ethical considerations of the study were clearly stipulated, followed by the limitations thereof.

From a theoretical perspective, the study makes two valuable contributions to the existing body of knowledge on transnational labour relations. Firstly, this study contributes to an academic understanding of the concept of transnational labour relations. Secondly, this study provides an integrated report on the importance of IFAs, together with Conventions 87 and 98 of the ILO, and how IFAs differ from codes of conduct of MNCs. From a practical point of view, “scholars have only interpreted the world of labour relations in different ways;” however, with the information provided in this study, they can revolutionise it (Hyman, 2001, p. 293). From a practical perspective, this study also highlights the call for a transnational labour relations system in Southern Africa and what benefits more IFAs might bring in the regulation of labour. Although a few limitations of the study restricted some of the conclusions made, the researcher answered the research questions.

This paper is divided into seven chapters, where Chapter 3 to Chapter 6 focused specifically on the content of transnational labour relations, the role of the ILO, multinational companies' codes of conduct, and IFAs. The researcher argued that globalisation and migration created a transnational labour relations system. This, in turn, led to the establishment of IFAs. Trade unions can be seen as a transnational actor, and play an important role in the compilation and implementation of both IFAs and codes of conduct. The role of the ILO was discussed, followed by two of its conventions namely, Convention 87 and Convention 98. A short section was presented on the ILO and IFAs. This study also provided an overview of transnational collective bargaining and how it influences employment conditions in multinational companies.

Multinational companies' codes of conduct are the result of an increasing awareness of CSR. The researcher clarified why codes of conduct are necessary, and described the role trade unions play in this process. The limitations of these codes were discussed as part of the reason for the development of IFAs, which have better monitoring and enforcement mechanisms. The example of Nike was used, which provided some insight into codes of conduct, which could inform multinational companies on the role, benefits, and concerns of codes of conduct.

An overview of IFAs was presented in this study, followed by a description of their history. The emergence of IFAs received particular attention, together with their advantages. This mini-dissertation assessed the substantive and procedural aspects of some IFAs concluded before 2008. Finally, key issues related to IFAs, such as the scope of agreements, trade union capacity, and global supply chains, was discussed in the context of international labour's campaigning, organising, and negotiation activities. Based on various features of international trade union activity, such as world company councils, codes of conduct, and international social dialogue, IFAs constitute an important and innovative tool in transnational labour relations. The implementation process was explained in detail, specifically referring to the monitoring and dispute resolution procedures within MNCs. A view on trade unions' capacity regarding the implementation of IFAs was provided, which included the

limitations and weaknesses of IFAs. IFAs were compared to codes of conduct, as both can be seen as soft law.

7.2 MAIN RESEARCH FINDINGS

From a political and economic point of view, the development of GPNs has transnationalised the arena of labour relations, introducing new conflicts of interests. GUFs gave rise to the idea of IFAs, which became the strategy to improve working conditions by creating more trade unions, in order to achieve a shared employee voice in transnational labour relations (Helfen & Fichter, 2011). GUFs acknowledged the important impact that IFAs have on MNCs by setting a framework that moves across borders, recognising the norms, principles, and procedures of transnational labour relations (Helfen & Fichter, 2011).

Bourque (2008) highlighted the contribution that IFAs make to collective bargaining in MNCs. From GUFs' point of view, IFAs have thus far been very effective in protecting fundamental trade union rights, which are covered by the conventions of the ILO, specifically Conventions 87 and 98 (Bourque, 2008). Convention 87 of the ILO is the *Freedom of Association and Protection of the Right to Organise Convention* (ILO, 2015). Convention 98 of the ILO is the *Right to Organise and Collective Bargaining Convention*. This convention is concerned with the application of the principle of the right to organise and to bargain collectively, and was adopted in July 1949 and came into effect on 18 July 1951 (ILO, 2000). It consists of 16 articles, which are beyond the scope of this study.

No standard models for IFAs exist; however, most agreements focus on the issues covered by the core conventions of the ILO, in particular, Conventions 87 and 98 (Lillie, 2008). According to Hassel (2008, p. 236), the ILO is an “intergovernmental body that establishes labour standards in the form of conventions and recommendations.” ILO conventions have the importance of treaties, and are “binding to the member countries that voluntarily ratify them” (Hassel, 2008, p. 236). The history of and the need for IFAs can be traced back to globalisation. During the past few years, a variety of globalisation processes have eroded the basis on which organised labour had been conventionally built (Riisgaard, 2005; Munck, 2010;

Taylor, 2009). An important question to consider is how labour can be protected in the context of a globalised world. In this regard, IFAs incorporate freedom of association, as well as the right to collective bargaining, and present unions with official representation at corporate level (Riisgaard, 2005).

Globalisation was the cause of many changes and challenges, such as “economic liberalisation, deregulation, and privatisation,” which have challenged the traditional practices of labour on a national and international level (Hammer, 2005, p. 512). This, in turn, led to important developments in transnational labour relations, although these were not recognised by everyone. As part of these developments, GUFs initiated the IFAs, which are “agreements on fundamental rights with MNCs” (Hammer, 2005, p. 512).

IFAs constitute a “rapidly growing phenomenon” (Riisgaard, 2005, p. 723). The 1990s are seen as the main turning point in transnational labour strategy (Gallin, 2008). IFAs were initiated in the 1980s, and flourished after 2000 (Hammer, 2005). The aim of IFAs is to ensure compliance with core labour rights across MNCs’ global supply chains (Hammer, 2008; Hammer, 2005). The purpose of IFAs is to encourage global social dialogue between the “multinational and the representatives of workers,” in other words, between headquarters and the physical location of the company’s international operations (Gallin, 2008, p. 18). IFAs also seek to promote compliance with the ILO’s core labour standards (Niforou, 2012; Gallin, 2008).

Gallin (2008) mentioned that there were 62 existing IFAs in the world in December 2007. There are various parties to IFAs, which generally include GUFs and global, regional, and national trade union structures (Hammer, 2005). IFAs are a significant and ground-breaking tool in transnational labour relations, but are not yet fully established (Hammer, 2005; Telljohann, da Costa, Müller, Rehfeldt, & Zimmer, 2009). Riisgaard (2005, p. 718) agreed and stated that, when IFAs are seen in light of the “internationalisation of capital and the need for alternative labour strategies,” they offer a promising tool.

An increasing amount of transnational unions are signing IFAs with MNCs, ensuring their “commitment to respect fundamental workers’ rights” (Riisgaard, 2005, p. 707).

Where the power of trade unions is lacking or company strategies are seen as too aggressive, national and transnational unions attempt to secure organising rights through IFAs (Hammer, 2005). Therefore it can be said that the actions of various trade union structures constitute IFAs. In turn, IFAs constitute a multifaceted labour relations tool that requires extensive participation and contribution at all stages, from “negotiation, implementation, monitoring through to continuous representation, and at all levels of the labour movement” (Hammer, 2005, p. 527).

From GUFs’ viewpoint, the minimum requirements of an IFA can be summarised in six focal points (Hammer, 2005, p. 515): “it must be a global agreement; conventions must be referenced to the ILO; it has to require the MNC to influence suppliers; a Global Union Federation should be signatory; there has to be trade union involvement in the implementation; and there has to be a right to bring complaints.”

According to Hammer (2005, p. 520), the focus areas of IFAs are the acceptance of the ILO core conventions regarding “freedom of association, the right to organise and collective bargaining (C87, C98); equality and non-discrimination (C100, C111); the prevention of forced labour (C29, C105); and the prevention of child labour (C138, C182).” As in the case with any agreement, the proof lies in the successful application thereof (Egels-Zandén, 2009). Yet, many IFAs do, in fact, go beyond the abovementioned basic provisions, and encourage agreements with regard to “worker representation, child labour, employment and restructuring, wages, working time, training and health and safety” (Hammer, 2004, p. 14).

IFAs generally specify that monitoring must be done by representatives of the different parties involved. In some instances, it is conducted by an “existing representative structure” such as EWCs or world company work councils (Bourque, 2008). It is commonly accepted that, as a minimum, one annual meeting should be dedicated to monitoring of the application of IFAs (Hammer, 2004). At this meeting, the various representatives of the different trade unions should participate in and form part of the monitoring process (Bourque, 2008).

IFAs create a platform for transnational labour relations by means of defining GUFs as lawful bargaining partners (Hammer, 2005). Perhaps one of the most significant

innovations of IFAs is that they allow trade unions a tight grasp on the global supply chain, thereby extending fundamental labour rights beyond national borders (Hammer, 2005). Riisgaard (2005) argued that IFAs demonstrate a promising way to protect and improve workers' rights within MNCs, by making room for union organising, collective bargaining, and social dialogue.

The first IFA was the result of a social dialogue between Danone (at that time known as BSN) and the IUF. That IFA was concluded in the mid-1980s, and resulted in various other agreements (Hammer, 2005; Gallin, 2008; Lillie, 2008). Danone's set of IFAs can still be seen as of the most complete and inclusive (Hammer, 2005). Papadakis, Casale, and Tsotroudi (2008), in their paper titled *International framework agreements as elements of a cross-border industrial relations framework*, argued that IFAs provide an advantage that is lacking in both social dialogue in MNCs and codes of conduct.

Thus, it can be concluded that IFAs form part of a transnational labour relations systems, as they attempt to regulate labour in MNCs on an international level. Although both IFAs and codes of conduct are voluntary, IFAs contains a much more comprehensive implementation and monitoring system. Such agreements can be of benefit to South Africa and, more specifically, SADC. If companies operating in SADC countries can negotiate such agreements, the regulation of labour standards might improve, ensuring better working conditions. However, this is easier said than done. The specification the consequences of breaches of an IFA would have to be clearly stipulated, and, even more important, the signatories and stakeholders involved should all strive to ensure compliance.

7.3 RECOMMENDATIONS FOR FUTURE RESEARCH

Based on the findings of this study, some gaps were identified in the existing literature. More detailed research needs to be done on the impact of migration on employment regimes. Increased labour migration poses some solutions to the ongoing demographic challenges. However, this questions the suitability of conventional employment regimes dealing with an increasingly diverse workforce (Rodriguez & Mearns, 2012). Migrant worker profiles are transforming constantly, and these changes, along with the implications of migration patterns, present a

number of employment relations issues that have yet to be explored in detail by academics and considered practically by policymakers and transnational companies (Rodriguez & Mearns, 2012).

According to Munck (2010), globalisation theories have neglected race and ethnicity in their considerations regarding the new global order. Racism and ‘racialisation’ of migration disputes have to be noted, examined, and acted upon. Rodriguez and Mearns (2012) noted that there is limited research that investigates the interaction between migration and employment relations. Most research has been done on geography, sociology, and economics, and there is lack of research on employee relations in this context. This definitely constitutes a direction for future research. Various publications have dealt with transnational trade union activities; however, the field remains underdeveloped, due to discussions not always being supported by concrete empirical research (Lillie & Lucio, 2012).

For the purposes of a document analysis, it is recommended that researchers should ensure they have the necessary funds to buy material that is not directly available in libraries or online. As mentioned previously, there is not much information available on IFAs signed after 2008 and in turn, this creates an opportunity to study the reasons for why there are so little documents published about IFAs negotiated after 2008. More specifically, the present researcher recommends that future research be done to compare the two South African IFAs (those of AngloGold and Nampak) to other IFAs in the same industry that were signed in Europe.

7.4 FINAL REMARKS

The researcher answered the research questions by means of a qualitative content analysis. A large number of documents in the field of transnational labour relations were collected and analysed, using the research objectives as guidelines to create specific categories. Although the researcher was not able to access all relevant documents, there was sufficient material readily available to draw relevant and appropriate conclusions. The limitations of this study point to directions for future research, emphasising that more research should be conducted on IFAs in South

Africa. Although only two agreements have been signed in this country, the potential to regulate labour in MNCs is vast.

7.5 CONCLUSION

It is clear that there is a new emerging arena of transnational labour relations and academic research is only beginning to deal with this context (Helfen & Fichter, 2011). MNCs are an important vehicle for transferring capital and other production functions, as well as technical and managerial knowledge, across national borders (Liu, 2004). It has been stated that globalisation challenges labour relations at a national level, as it impacts national collective bargaining systems, as well as the dynamics of solidarity (Rodriguez & Mearns, 2012). The appearance of the EU stimulated a renewed interest in transnational labour relations among trade unions (Taylor, 1999).

GUFs gave rise the idea of IFAs, a strategy to improve working conditions by creating more trade unions, in order to achieve a shared employee voice in transnational labour relations (Helfen & Fichter, 2011). IFAs create a platform for improving transnational labour relations by means of defining GUFs as lawful bargaining partners (Hammer, 2005). Bourque (2008) highlighted the contribution that IFAs make to collective bargaining in MNCs, and, from GUFs' point of view, IFAs have thus far been very effective in protecting the fundamental trade union rights contained the ILO's Conventions 87 and 98 (Bourque, 2008). No standard models for IFAs exist; however, most agreements focus on the issues covered by the core conventions of the ILO, in particular, Conventions 87 and 98 (Lillie, 2008).

Most IFAs focus on fundamental rights (Telljohann et al., 2009) and highlight the importance of a "rights-based approach" to fight the challenges to economic fairness in the global economy (Wills, 2002, p. 696). Setting employment standards for companies who operate their business activities across borders has proved challenging seeing that the existing labour standards should extend beyond national borders (Fichter, Sydow & Volynets, 2007). Campaigns at local and global level aiming to secure organising rights have often led to the establishment of an IFA,

specifically in a setting where a trade union lacks strength or employer strategies are more aggressive (Hammer, 2005; Telljohann et al., 2009). An example of such an institution of an IFA is the agreement between Chiquita, the IUF and COLSIBA, the Latin-American Coordination of Banana Workers' Unions (Risgaard, 2005; Hammer, 2005).

There are various parties to IFAs, also called *signatories*, such as GUFs and other global, regional, and national trade union structures (Hammer, 2005). Global structures are typically entities such as world company and work councils, whereas regional structures can be EWCs or European industry federations. National structures are entities such as unions (Sobczak, 2007). IFAs provide a well-deserved place for GUFs and EWCs within the space of global social regulation, and have proven to be an effective tool in resolving conflicts on many occasions (Telljohann et al., 2009). EWCs play an important role in establishing IFAs seeing that they provide recognised and strategic support as they are part of the closing process of IFAs and plays a role in periodic evaluations and reviews (Hammer, 2005).

Since the 1960s, trade unionists redirected their attention to the nature of MNCs and the implications their operations had for organised labour (Hammer, 2005). Despite the increasing internationalisation of labour markets, some labour conditions and workers' rights are still dealt with within companies' national boundaries. Local regulations and negotiated contracts also play an important role in regulation (Fichter, Sydow & Volynets, 2007). Trade unions, however, are often defensive in these deregulation processes. Hammer (2005) argued that GUFs and national unions usually undertake a global approach in campaigning, which allows for more flexible grouping of forces, even though they are normally involved in the negotiation and directing of IFAs. Trade unions represent workers at various levels (national and international), and can contribute in different ways, such as GUFs being in a position to monitor and implement IFAs. With IFAs and the involvement of unions in the establishment and monitoring of IFAs, GUFs can guarantee workers' rights, information sharing, and alliance forming, and when necessary, oblige companies to uphold the stipulations of IFAs (Wills, 2002; Sobczak, 2007).

GUFs attempt to create global TUNs within MNCs that link “trade union representatives for different countries and local, regional and global levels of trade union representation” (Telljohann et al., 2009, p. 516). The goal of these structures is to provide communication channels between the parties, thereby cultivating mutual trust among the worker representatives from various countries and districts. They also offer a proper channel along which the evidence gathered at local level is successfully conveyed to the central level. With this established communication channel, the GUFs or representatives have direct access to senior management in case of a violation of an IFA, and can request corrective measures (Telljohann et al., 2009). According to Hammer, GUFs have, for a long time, worked as:

peak offices of the international trade union movement, albeit enmeshed in cold war politics; coordinated international solidarity; represented labour in global social dialogue, within the International Labour Organisation (ILO); and tentatively extended their regional membership base and organisation (Hammer, 2005, p. 513).

Yet, as the global corporate challenges increased over the last few decades with the emergence of a new world order, organising, campaigning, and social dialogue have come to be more prominent on labour’s agenda (Hammer, 2005). As this happened, efforts were made to advance codes of conduct at corporate level or to cultivate global campaigns against MNCs, which were not as successful as had been hoped. It can be concluded that codes of conduct frequently lack the monitoring mechanisms necessary to ensure compliance (Gallin, 2008; Sobczak, 2007). Codes of conduct are, for the most part, a management tool that is not negotiated with workers (Gallin, 2008).

As a result of these limitations, IFAs came into being (Gallin, 2008; Risgaard, 2005). IFAs address the shortcomings of codes of conduct by applying and exploiting social dialogue, while at the same time, permitting trade unions to focus their attention on “organising, campaigning and negotiating with MNCs” (Hammer, 2005, p. 514). IFAs move beyond codes of conduct, as they are not simply independent declarations, but include obligations, although these are not legally enforceable (Hammer, 2005). IFAs should not be seen as “better codes of conduct,” but rather as “qualitatively different” and a “platform for transnational labour relations” (Hammer, 2004, p. 14). It is also important to note that IFAs do not attempt to substitute regional or national

collective bargaining, since that should continue and still be seen as the necessary building blocks for partners' strengths (Wills, 2002).

REFERENCES

- Anner, M., Greer, I., Hauptmeier, M., Lillie, N., & Winchester, N. (2006). The industrial determinants of transnational solidarity: Global interunion politics in three sectors. *European Journal of Industrial Relations*, 12(1), 7-27.
- Ales, E. S., Engblom, T., Jaspers, S., Laulom, S., Sciarra, A., Sobczak, & F. Valdés Dal-Ré, F. (2006). *Transnational collective bargaining - past, present and future*. Brussels: European Commission. Retrieved July 18, 2015 from http://ec.europa.eu/employment_social/labour_law/docs/transnational_agreements_ales_study_en.pdf
- Alvesson, M., & Skoldberg, K. (2009). *Reflective methodology: New vistas for qualitative research* (2nd ed.). Thousand Oaks, CA: Sage.
- Attride-Stirling, J. (2001). Thematic networks: An analytical tool for qualitative research. *Qualitative Research*, 1(3), 385-405.
- Banner, D. J. (2010). Qualitative interviewing: Preparation for practice. *Canadian Journal of Cardiovascular Nursing*, 20(3), 27-30.
- Bailey, K. (1994). *Methods of social research* (4th ed.). New York: The Free Press.
- Berg, B. L. (1989). An introduction to content analysis. *Qualitative Research Methods for the Social Sciences*. Allyn & Beacon.
- Bieler, A. (2005). European integration and the transnational restructuring of social relations: The emergence of labour as a regional actor? *Journal of Common Market Studies*, 43(3), 461-484. Doi:10.1111/j.0021-9886.2005.00565.x

- Bogdan, R., & Biklen, S. (1982). *Qualitative research for education: An introduction to theory and practice*. Allyn and Beacon Inc., New York.
- Blundell, E. G. (2012). Document analysis as a qualitative research technique in assessing oral health policy.
- Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27-40.
- Castillo, J. J. (2009). *Experiment resources: Purposive sampling*. Retrieved June 28, 2014, from www.experiment_resources.com/purposive-sampling.html
- Compa, L. (2004). Trade unions, NGOs, and corporate codes of conduct. *Development in Practice*, 14(1-2), 210-215.
- Cronin, P., Ryan, F., & Coughlan, M. (2008). Undertaking a literature review: A step-by-step approach. *British Journal of Nursing*, (17), 38-43.
- Cumbers, A., Nativel, C., & Routledge, P. (2008). Labour agency and union positionalities in global production networks. *Journal of Economic Geography*, 8(3), 369-387.
- Deacon, B., De Lombaerde, P., Macovei, M. C., & Schröder, S. (2011). Globalisation and the emerging regional governance of labour rights. *International Journal of Manpower*, 32(3), 334-365.
- De Jonge, A. (2011). Transnational corporations and international law: Bringing TNCs out of the accountability vacuum. *Critical Perspectives on International Business*, 7(1), 66-89.

- DeTienne, K. B., & Lewis, L. W. (2005). The pragmatic and ethical barriers to corporate social responsibility disclosure: The Nike case. *Journal of Business Ethics*, 60(4), 359-376.
- Dickmann, M., Müller-Camen, M., & Kelliher, C. (2008). Exploring standardisation and knowledge networking processes in transnational human resource management. *Personnel Review*, 38(1), 5-25.
- Drouin, R. C. (2008). The role of the ILO in promoting the development of international framework agreements. *An emerging global industrial relations framework?*, 237.
- Engels, C. (2000). Codes of conduct. Freedom of association and the right to bargain collectively. In R. Blainpain (Ed.), *Multinational enterprises and the social challenges of the XXIst century*. *Bulletin of Comparative Labour Relations* 37. The Hague/London/Boston: Kluwer Law International.
- Elo, S., & Kyngäs, H. (2008). The qualitative content analysis process. *Journal of Advanced Nursing*, 62(1), 107-115.
- Evaluation ETA (2009). Data collection methods for evaluation: Document review. Retrieved February 19, 2015 from <http://www.cdc.gov/healthyyouth/evaluation/pdf/brief18.pdf>
- Fetzer, T. (2012). Industrial relations history in transnational perspective: A review essay. *History Compass*, 10(1), 56-69.

- Fichter, M., Sydow, J., & Volynets, L. (2007). Organization and regulation of employment relations in transnational production and supply networks. Ensuring core labor standards through international framework agreements?.
- Fossey, E., Harvey, C., McDermott, F., & Davidson, L. (2002). Understanding and evaluating qualitative research. *Australian and New Zealand Journal of Psychiatry*, 36(6), 717-732.
- Franzosi, R. (2008). Content analysis: Objective, systematic, and quantitative description of content. *SAGE benchmarks in social research methods: Content analysis*, 2-43.
- Gennard, J. (2008). Negotiations at multinational company level? *Employee Relations*, 30(2), 100-103.
- Glesne, C. (2006). *Becoming qualitative researchers: An introduction* (3rd ed.). Boston: Pearson Education Inc.
- Global Unions (2009). Framework agreements. Retrieved June 08, 2015 from <http://www.global-unions.org/+framework-agreements-+.html>
- Greer, I., Ciupijus, Z., & Lillie, N. (2013). The European Migrant Workers Union and the barriers to transnational industrial citizenship. *European Journal of Industrial Relations*, 19(1), 5-20.
- Greer, I., & Hauptmeier, M. (2008). Political entrepreneurs and co-managers: Labour transnationalism at four multinational auto companies. *British Journal of Industrial Relations*, 46, 76-97. doi: 10.1111/j.1467-8543.2007.00667.x

- Hammer, N. (2005). International framework agreements: Global industrial relations between rights and bargaining. *Transfer: European Review of Labour and Research*, 11(4), 511-530.
- Hassel, A. (2008). The evolution of a global labor governance regime. *Governance*, 21(2), 231-251.
- Helfen, M., & Fichter, M. (2011). Global production networks and global union federations: Re-assembling transnational union networks by International Framework Agreements?
- Helfen, M., & Fichter, M. (2013). Building transnational union networks across global production networks: Conceptualising a new arena of labour–management relations. *British Journal of Industrial Relations*. doi: 10.1111/bjir.12016
- Hellmann, M. (2007). Social partnership at the global level: Building and wood workers' international experiences with international framework agreements. In V. Schmidt (Ed.), *Trade union responses to globalisation: A review by the Global Union Research Network*, Geneva: International Labour Office, 23-34.
- Higgins, J. P. (Ed.). (2008). *Cochrane handbook for systematic reviews of interventions* (Vol. 5). Chichester, England: Wiley-Blackwell.
- Horvath, K. (2012). National numbers for transnational relations? Challenges of integrating quantitative methods into research on transnational labour market relations. *Ethnic and Racial Studies*, 35(10), 1741-1757.

- Hsieh, H. F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research*, 15(9), 1277-1288.
- Hughes, S. (2005). The International Labour Organisation. *New Political Economy*, 10(3), 413-425.
- Hurworth, R. (2005). *Encyclopedia of evaluation. Document analysis*. Thousand Oaks. Sage Publications, p. 119-121.
- Hyman, R. (1999). National industrial relations systems and transnational challenges: An essay in review. *European Journal of Industrial Relations*, 5(1), 89-110.
- Hyman, R. (2001). The Europeanisation—or the erosion—of industrial relations? *Industrial Relations Journal*, 32(4), 280-294.
- ILO (2015). Origins and history. Retrieved from <http://www.ilo.org/global/about-the-ilo/history/lang--en/index.htm>
- ILO (2015). Missions and objectives. Retrieved from <http://www.ilo.org/global/about-the-ilo/mission-and-objectives/lang--en/index.htm>
- ILO (2015). Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). Retrieved from http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312232

ILO (2015). Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

Retrieved from

http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::no::P12100_Ilo_Code:C098

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations — IUF (2006a). *Confronting and negotiating with Transnational Companies*, Executive Committee, Item 5, Geneva, April 5-6, 2006.

Kädtler, J., & Sperling, H. J. (2000). Bargained globalisation in the German automobile industry. In *GERPISA-Conference in Paris*.

Kädtler, J., & Sperling, H. J. (n.d.). Trade union education for solidarity in Europe. Aims and objectives, strategies and methods in transnational political education.

Kim, I., & Kuljis, J. (2010). Applying content analysis to Web based content. In *Information Technology Interfaces (ITI), 2010 32nd International Conference on* (pp. 283-288). IEEE.

Kolben, K. (2011). Transnational labor regulation and the limits of governance. *Theoretical Inquiries in Law*, 12(2), 403-437.

Kolben, K. (2009). Towards an integrative theory of transnational labor regulation. In *Draft presented on Regulating for Decent Work Conference on Geneva in July 8th ILO*.

- Kohl, H., & Platzer, H. W. (2003). Labour relations in central and eastern Europe and the European social model. *Transfer: European Review of Labour and Research*, 9(1), 11-30.
- Kolk, A., Van Tulder, R., & Welters, C. (1999). International codes of conduct and corporate social responsibility: Can transnational corporations regulate themselves? *Transnational Corporations*, 8(1), 143-180.
- Kondracki, N. L., Wellman, N. S., & Amundson, D. R. (2002). Content analysis: Review of methods and their applications in nutrition education. *Journal of Nutrition Education and Behavior*, 34(4), 224-230.
- Lillie, N., & Greer, I. (2007). Industrial relations, migration, and neoliberal politics: The case of the European construction sector. *Politics & Society*, 35(4), 551-581.
- Lillie, N., & Lucio, M. M. (2012). Rollerball and the spirit of capitalism: Competitive dynamics within the global context, the challenge to labour transnationalism, and the emergence of ironic outcomes. *Critical Perspectives on International Business*, 8(1), 74-92.
- Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. Beverly Hills, CA: Sage Publications.
- Liu, W. (2004). The cross-national transfer of HRM practices in MNCs: An integrative research model. *International Journal of Manpower*, 25(6), 500-517.

- Locke, R. M. (2003). The promise and perils of globalisation: The case of Nike. *Management: Inventing and Delivering its Future*, 39, 40.
- Locke, R., Kochan, T., Romis, M., & Qin, F. (2007). Beyond corporate codes of conduct: Work organization and labour standards at Nike's suppliers. *International Labour Review*, 146(1-2), 21-40.
- Maree, K. (2007). *First steps in research*. Pretoria: Van Schaik Publishers.
- Marginsons, P. (1992). European integration and transnational management — union relations in the enterprise. *British Journal of Industrial Relations*, 30(4), 529-545.
- Marshall, C., & Rossman, G. B. (2010). *Designing qualitative research*. Sage Publications.
- Merriam, S. B. (2002). *Qualitative research in practice: Examples for discussion and analysis*.
- Mogalakwe, M. (2006). The use of documentary research methods in social research. *African Sociological Review*, 10(1), 221-230.
- Mosley, L., & Uno, S. (2007). Racing to the bottom or climbing to the top? Economic globalisation and collective labor rights. *Comparative Political Studies*, 40(8), 923-948.
- Myers, P., & Barnes, J. (2005). *Measuring outcomes: Guidance on outcome evaluation for Sure Start local programmes*. Institute for the Study of Children, Families and Social Issues, Birkbeck, University of London.

- Müller, T., & Rüb, S. (2005). *Towards internationalization of labour relations? Global union networks and international framework agreements — status quo and prospects*. European and Global Industrial Relations Research Group, Fachhochschule Fulda, University of Applied Sciences.
- Munck, R. P. (2010). Globalisation, migration and work: Issues and perspectives., *Capital et Société*, 43(1).
- Munck, R. P. (2010). Globalisation and the labour movement: Challenges and responses. *Global Labour Journal*, 1(2), 1.
- Munck, R. P. (n.d.). Migration, globalisation and development: Labour movement perspectives.
- Murray, G. (2002). Introduction. *Relations Industrielles/Industrial Relations*, 57(1), 5-7.
- Murtonen, M., Olkinuora, E., Tynjälä, P., & Lehtinen, E. (2008). “Do I need research skills in working life?” University students’ motivation and difficulties in quantitative methods courses. *Higher Education*, 56(5), 599-612.
- Nilsson, J. (2002). A tool for achieving workers’ rights, *Metal World*, No 4, 22-27.
- O’Neil, S. (2013). *MHB 795 Reader: A guide to systematic reviews in the management sciences*. Pretoria: Department of Human Resource Management, University of Pretoria.
- Owen, G. (2013). Qualitative methods in higher education policy analysis: Using interviews and document analysis.

- Parreñas, R. (2005). Long distance intimacy: Class, gender and intergenerational relations between mothers and children in Filipino transnational families. *Global Networks*, 5(4), 317-336.
- Patton, M. Q. (2005). *Qualitative research*. Encyclopedia of statistics in behavioural science. John Wiley & Sons, Ltd.
- Patton, M. Q. (2002). *Qualitative research and evaluation methods*. Thousand Oaks, CA: Sage.
- Patton, M., & Cochran, M. (2002). A guide to using qualitative research methodology. *Médecins Sans Frontières*.
- Payne, G., & Payne, J. (2004). *Key concepts in social research*. London: Sage Publications.
- Pearson, R., & Seyfang, G. (2001). New hope or false dawn? Voluntary codes of conduct, labour regulation and social policy in a globalizing world. *Global Social Policy*, 1, 49-78.
- Prasad, P. D. (2001). *Content analysis: A method in social science research*.
- Pulignano, V. (2006). Still regime competition? Trade unions and multinational restructuring in Europe. *Relations Industrielles/Industrial Relations*, 615-638.
- Pyle, J. (2006). Globalisation, transnational migration, and gendered care work: Introduction. *Globalisations*, 3(3), 283-295. Doi:10.1080/14747730600869938
- Scott, A. (1999). Whose futures? A comparative study of Local Agenda 21 in mid Wales. *Planning, Practice and Research*, 14(4), 401-421.

- Wesley, J. J. (2010). Qualitative document analysis in political science. In *T2PP Workshop, Vrije Universiteit Amsterdam*.
- Radwan, H. (2009). *Chapter Three: Research approach*. Retrieved from <https://repository.cardiffmet.ac.uk/dspace/bitstream/10369/880/7/MicrosoftWordChapterApproach.pdf>
- Riisgaard, L. (2005). International framework agreements: A new model for securing workers' rights? *Industrial Relations: A Journal of Economy and Society*, 44(4), 707-737.
- Rodriguez, J. K., & Mearns, L. (2012). Problematizing the interplay between employment relations, migration and mobility. *Employee Relations*, 34(6), 580-593.
- Rodríguez-Pose, A. (2002). *The role of the ILO in implementing local economic development strategies in a globalised world*.
- Rüb, S. (2002). *World Works Councils and Other Forms of Global Employee Representation in Transnational Undertakings*, Working Paper No 55, Düsseldorf: Hans Böckler Stiftung.
- Sapsford, R., & Jupp, V. (2006). *Data collection and analysis: Using documents*. Thousand Oaks: Sage Publications, p. 139-144.
- Smit, P. (2014). Transnational labour relations: A dream or possibility in SADC? *African Journal of International and Comparative Law*, 448-467.

- Sobczak, A. (2003). Codes of conduct in subcontracting networks: A labour law perspective. *Journal of Business Ethics*, 44, 225-234.
- Sobczak, A. (2007). Legal dimensions of international framework agreements in the field of corporate social responsibility. *Relations Industrielles/Industrial Relations*, 466-491.
- Standing, G. (2010). The International Labour Organization. *New Political Economy*, 15(2), 307-318.
- Stewart, P. (2010). International trade union networks, European work councils and international labour regimes. *Employee Relations*, 32(6), 533-537.
- Taylor, R. (1999). *Trade unions and transnational industrial relations*. Labour and Society Programme.
- Taylor, M. (2009). Who works for globalisation? The challenges and possibilities for international labour studies. *Third World Quarterly*, 30(3), 435-452.
- Telljohann, V., da Costa, I., Müller, T., Rehfeldt, U., & Zimmer, R. (2009). European and international framework agreements: New tools of transnational industrial relations. *Transfer: European Review of Labour and Research*, 15(505-525).
- Trubek, D. M., Mosher, J., & Rothstein, J. S. (2000). Transnationalism in the regulation of labor relations: International regimes and transnational advocacy networks. *Law & Social Inquiry*, 25(4), 1187.

- Union Network International (2005). *A UNI guide to global framework agreements*. Retrieved from http://www.unionnetwork.org/UNIsite/In_Depth/Multinationals/GFAs.html
- Van Tulder, R., & Kolk, A. (2001). Multinationality and corporate ethics: Codes of conduct in the sporting goods industry. *Journal of International Business Studies*, 267-283.
- Weber, R. P. (1990). *Basic content analysis*. Newbury Park, CA: Sage Publications.
- Wesley, J. J. (2010). Qualitative document analysis in political science. In *T2PP Workshop, Vrije Universiteit Amsterdam*.
- Weiss, M. (2013). International labour standards: A complex public–private policy mix. *The International Journal of Comparative Labour Law and Industrial Relations*, 29(1), 7-20.
- Wills, J. (1998). Taking on the cosmocorps? Experiments in transnational labor organization. *Economic Geography*, 74(2), 111-130.
- Wills, J. (2002). Bargaining for the space to organize in the global economy: A review of the Accor-IUF trade union rights agreement. *Review of International Political Economy*, 9(4), 675-700.
- Zhang, Y., & Wildemuth, B. M. (2009). Qualitative analysis of content. *Applications of social research methods to questions in information and library science*, 308-319.

Appendix A

Nike: Code of Conduct



The Nike Code of Conduct

Nike Inc. was founded on a handshake.

Implicit in that act was the determination that we would build our business with all of our partners based on trust, teamwork, honesty and mutual respect. We expect all of our business partners to operate on the same principles.

At the core of the NIKE corporate ethic is the belief that we are a company comprised of many different kinds of people, appreciating individual diversity, and dedicated to equal opportunity for each individual.

NIKE designs, manufactures, and markets products for sports and fitness consumers. At every step in that process, we are driven to do not only what is required by law, but what is expected of a leader. We expect our business partners to do the same. NIKE partners with contractors who share our commitment to best practices and continuous improvement in:

1. Management practices that respect the rights of all employees,
2. including the right to free association and collective bargaining
3. Minimizing our impact on the environment
4. Providing a safe and healthy work place
5. Promoting the health and well-being of all employees

Contractors must recognize the dignity of each employee, and the right to a work place free of harassment, abuse or corporal punishment. Decisions on hiring, salary, benefits, advancement, termination or retirement must be based solely on the employee's ability to do the job. There shall be no discrimination based on race, creed, gender, marital or maternity status, religious or political beliefs, age or sexual orientation.

Wherever NIKE operates around the globe we are guided by this Code of Conduct and we bind our contractors to these principles. Contractors must post this Code in all major workspaces, translated into the language of the employee, and must train employees on their rights and obligations as defined by this Code and applicable local laws.

While these principles establish the spirit of our partnerships, we also bind our partners to specific standards of conduct. The core standards are set forth below.

1. **Forced Labor.** The contractor does not use forced labor in any form -- prison, indentured, bonded or otherwise.
2. **Child Labor.** The contractor does not employ any person below the age of 18 to produce footwear. The contractor does not employ any person below the age of 16 to produce apparel, accessories or equipment. If at the time Nike production begins, the contractor employs people of the legal working age who are at least 15, that employment may continue, but the contractor will not hire any person going

forward who is younger than the Nike or legal age limit, whichever is higher. To further ensure these age standards are complied with, the contractor does not use any form of homework for Nike production.

3. **Compensation.** The contractor provides each employee at least the minimum wage, or the prevailing industry wage, whichever is higher; provides each employee a clear, written accounting for every pay period; and does not deduct from employee pay for disciplinary infractions.
4. **Benefits.** The contractor provides each employee all legally mandated benefits.
5. **Hours of Work/Overtime.** The contractor complies with legally mandated work hours; uses overtime only when each employee is fully compensated according to local law; informs each employee at the time of hiring if mandatory overtime is a condition of employment; and on a regularly scheduled basis provides one day off in seven, and requires no more than 60 hours of work per week on a regularly scheduled basis, or complies with local limits if they are lower.
6. **Environment, Safety and Health (ES&H).** From suppliers to factories to distributors and to retailers, Nike considers every member of our supply chain as partners in our business. As such, we've worked with our Asian partners to achieve specific environmental, health and safety goals, beginning with a program called MESH (Management of Environment, Safety and Health).
7. **Documentation and Inspection.** The contractor maintains on file all documentation needed to demonstrate compliance with this Code of Conduct and required laws; agrees to make these documents available for Nike or its designated monitor; and agrees to submit to inspections with or without prior notice.

Appendix B

ILO Convention 87

Freedom of Association and Protection of the Right to Organise Convention

1948

Freedom of Association and Protection of the Right to Organise Convention (No. 87)

Adopted: 9 July 1948

Entered into force: 4 July 1950

The General Conference of the International Labour Organisation,

Having been convened at San Francisco by the Governing Body of the International Labour Office, and having met in its Thirty-first Session on 17 June 1948;

Having decided to adopt, in the form of a Convention, certain proposals concerning freedom of association and protection of the right to organise, which is the seventh item on the agenda of the session;

Considering that the Preamble to the Constitution of the International Labour Organisation declares "recognition of the principle of freedom of association" to be a means of improving conditions of labour and of establishing peace;

Considering that the Declaration of Philadelphia reaffirms that "freedom of expression and of association are essential to sustained progress";

Considering that the International Labour Conference, at its Thirtieth Session, unanimously adopted the principles which should form the basis for international regulation;

Considering that the General Assembly of the United Nations, at its Second Session, endorsed these principles and requested the International Labour Organisation to continue every effort in order that it may be possible to adopt one or several international Conventions;

adopts this ninth day of July of the year one thousand nine hundred and forty-eight the following Convention, which may be cited as the Freedom of Association and Protection of the Right to Organise Convention, 1948:

PART I. FREEDOM OF ASSOCIATION

Article 1

Each Member of the International Labour Organisation for which this Convention is in force undertakes to give effect to the following provisions.

Article 2

Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.

Article 3

1. Workers' and employers' organisations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.
2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.

Article 4

Workers' and employers' organisations shall not be liable to be dissolved or suspended by administrative authority.

Article 5

Workers' and employers' organisations shall have the right to establish and join federations and confederations and any such organisation, federation or confederation shall have the right to affiliate with international organisations of workers and employers.

Article 6

The provisions of Articles 2, 3 and 4 hereof apply to federations and confederations of workers' and employers' organisations.

Article 7

The acquisition of legal personality by workers' and employers' organisations, federations and confederations shall not be made subject to conditions of such a character as to restrict the application of the provisions of Articles 2, 3 and 4 hereof.

Article 8

1. In exercising the rights provided for in this Convention workers and employers and their respective organisations, like other persons or organised collectivities, shall respect the law of the land.
2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention.

Article 9

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.
2. In accordance with the principle set forth in paragraph 8 of article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

Article 10

In this Convention the term “organisation” means any organisation of workers or of employers for furthering and defending the interests of workers or of employers.

PART II. PROTECTION OF THE RIGHT TO ORGANISE

Article 11

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organise.

PART III. MISCELLANEOUS PROVISIONS

Article 12

1. In respect of the territories referred to in article 35 of the Constitution of the International Labour Organisation as amended by the Constitution of the International Labour Organisation Instrument of Amendment, 1946, other than the territories referred to in paragraphs 4 and 5 of the said Article as so amended, each Member of the Organisation which ratifies this Convention shall communicate to the Director-General

of the International Labour Office with or as soon as possible after its ratification a declaration stating:

- a) the territories in respect of which it undertakes that the provisions of the Convention shall be applied without modification;
 - b) the territories in respect of which it undertakes that the provisions of the Convention shall be applied subject to modifications, together with details of the said modifications;
 - c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable;
 - d) the territories in respect of which it reserves its decision.
2. The undertakings referred to in subparagraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.
 3. Any Member may at any time by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of subparagraphs (b), (c) or (d) of paragraph 1 of this Article.
 4. Any Member may, at any time at which this Convention is subject to denunciation in accordance with the provisions of Article 16, communicate to the Director-General a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of such territories as it may specify.

Article 13

1. Where the subject matter of this Convention is within the self-governing powers of any non-metropolitan territory, the Member responsible for the international relations of that territory may, in agreement with the Government of the territory, communicate to the Director-General of the International Labour Office a declaration accepting on behalf of the territory the obligations of this Convention.
2. A declaration accepting the obligations of this Convention may be communicated to the Director-General of the International Labour Office:
 - (a) by two or more Members of the Organisation in respect of any territory which is under their joint authority; or
 - (b) by any international authority responsible for the administration of any territory, in virtue of the Charter of the United Nations or otherwise, in respect of any such territory.
3. Declarations communicated to the Director-General of the International Labour Office in accordance with the preceding paragraphs of this Article shall indicate whether the provisions of the Convention will be applied in the territory concerned without modification or subject to modifications; when the declaration indicates that the provisions of the Convention will be applied subject to modifications it shall give details of the said modifications.
4. The Member, Members or international authority concerned may at any time by a subsequent declaration renounce in whole or in part the right to have recourse to any modification indicated in any former declaration.
5. The Member, Members or international authority concerned may, at any time at which this Convention is subject to denunciation in accordance with the provisions of Article

16, communicate to the Director- General of the International Labour Office a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of the application of the Convention.

PART IV. FINAL PROVISIONS

Article 14

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 15

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Director-General.
2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Director-General.
3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 16

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director- General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.
2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 17

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organisation of the registration of all ratifications, declarations and denunciations communicated to him by the Members of the Organisation.
2. When notifying the Members of the Organisation of the registration of the second ratification communicated to him, the Director- General shall draw the attention of the Members of the Organisation to the date upon which the Convention will come into force.

Article 18

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications, declarations and acts of denunciation registered by him in accordance with the provisions of the preceding Articles.

Article 19

At such times as it may consider necessary the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 20

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,
 - a) the ratification by a Member of the new revising Convention shall *ipso jure* involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 16 above, if and when the new revising Convention shall have come into force;
 - b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.
2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 21

The English and French versions of the text of this Convention are equally authoritative.

Appendix C

ILO Convention 98

Right to Organise and Collective Bargaining Convention

1949

Right to Organise and Collective Bargaining Convention (No. 98)

Adopted: 1 July 1949

Entered into force: 18 July 1951

Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (Note: Date of coming into force: 18 .07.1951)

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Thirty-second Session on 8 June 1949, and

Having decided upon the adoption of certain proposals concerning the application of the principles of the right to organise and to bargain collectively, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention,

adopts this first day of July of the year one thousand nine hundred and forty-nine the following Convention, which may be cited as the Right to Organise and Collective Bargaining Convention, 1949:

Article 1

1. Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.
2. Such protection shall apply more particularly in respect of acts calculated to--
 - a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
 - b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Article 2

1. Workers' and employers' organisations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.
2. In particular, acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations, or to support workers' organisations by financial or other means, with the object of placing such organisations under the control of employers or employers' organisations, shall be deemed to constitute acts of interference within the meaning of this Article.

Article 3

Machinery appropriate to national conditions shall be established, where necessary, for the purpose of ensuring respect for the right to organise as defined in the preceding Articles.

Article 4

Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

Article 5

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.
2. In accordance with the principle set forth in paragraph 8 of Article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

Article 6

This Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way.

Article 7

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 8

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Director-General.
2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Director-General.
3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 9

1. Declarations communicated to the Director-General of the International Labour Office in accordance with paragraph 2 of Article 35 of the Constitution of the International Labour Organisation shall indicate --
 - (a) the territories in respect of which the Member concerned undertakes that the provisions of the Convention shall be applied without modification;
 - (b) the territories in respect of which it undertakes that the provisions of the Convention shall be applied subject to modifications, together with details of the said modifications;
 - (c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable;
 - (d) the territories in respect of which it reserves its decision pending further consideration of the position.
2. The undertakings referred to in subparagraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.
3. Any Member may at any time by a subsequent declaration cancel in whole or in part any reservation made in its original declaration in virtue of subparagraph (b), (c) or (d) of paragraph 1 of this Article.
4. Any Member may, at any time at which the Convention is subject to denunciation in accordance with the provisions of Article 11, communicate to the Director-General a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of such territories as it may specify.

Article 10

1. Declarations communicated to the Director-General of the International Labour Office in accordance with paragraph 4 or 5 of Article 35 of the Constitution of the International Labour Organisation shall indicate whether the provisions of the Convention will be applied in the territory concerned without modification or subject to modifications; when the declaration indicates that the provisions of the Convention will be applied subject to modifications, it shall give details of the said modifications.
2. The Member, Members or international authority concerned may at any time by a subsequent declaration renounce in whole or in part the right to have recourse to any modification indicated in any former declaration.

3. The Member, Members or international authority concerned may, at any time at which this Convention is subject to denunciation in accordance with the provisions of Article 11, communicate to the Director-General a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of the application of the Convention.

Article 11

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.
2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 12

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organisation of the registration of all ratifications, declarations and denunciations communicated to him by the Members of the Organisation.
2. When notifying the Members of the Organisation of the registration of the second ratification communicated to him, the Director-General shall draw the attention of the Members of the Organisation to the date upon which the Convention will come into force.

Article 13

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications, declarations and acts of denunciation registered by him in accordance with the provisions of the preceding articles.

Article 14

At such times as it may consider necessary the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 15

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides,

- a. the ratification by a Member of the new revising Convention shall ipso jure involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 11 above, if and when the new revising Convention shall have come into force;
 - b. as from the date when the new revising Convention comes into force, this Convention shall cease to be open to ratification by the Members.
2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 16

The English and French versions of the text of this Convention are equally authoritative.